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10/13/88

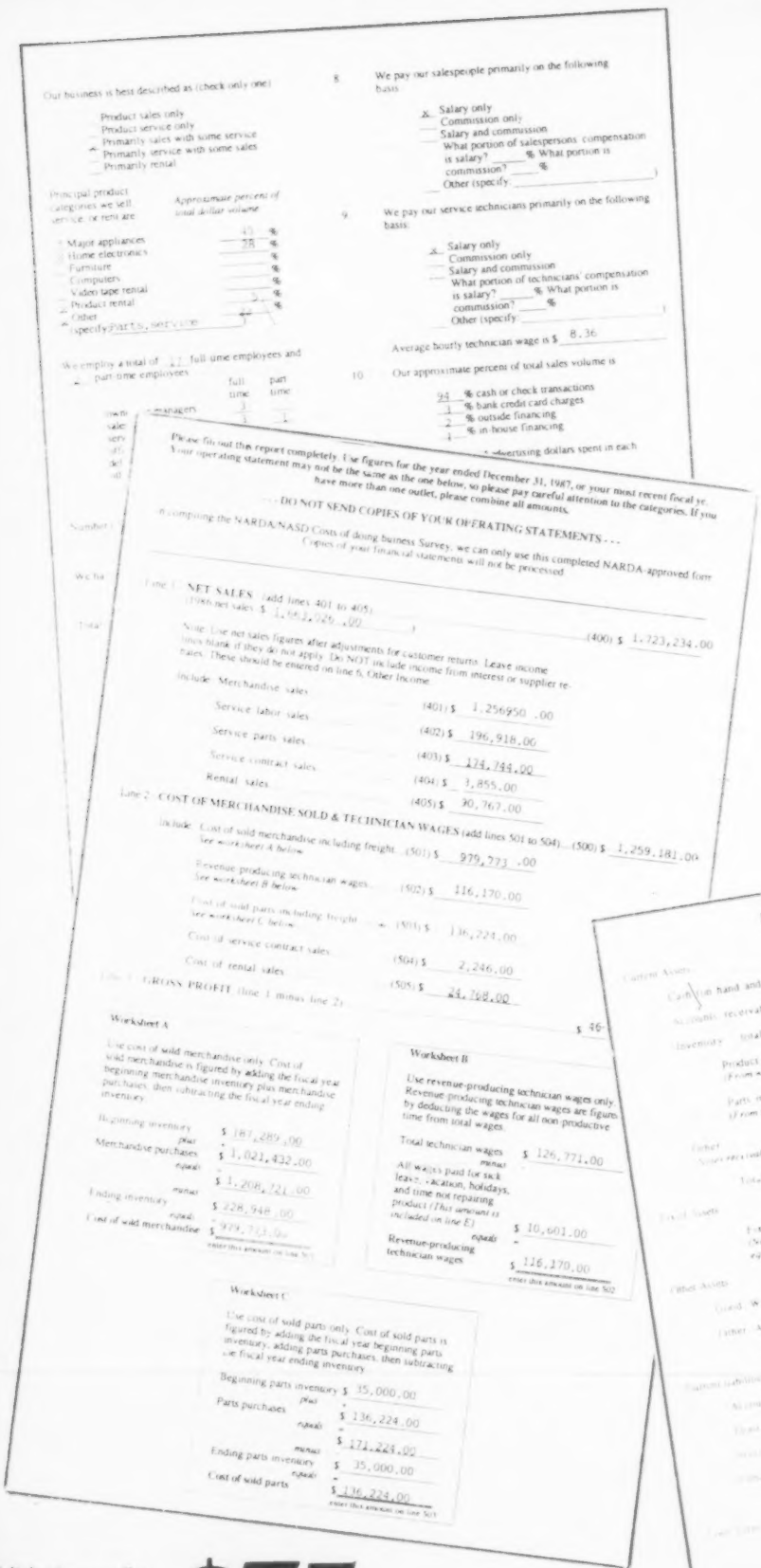
NARDA
NATIONAL ASSOCIATION RETAIL DEALERS OF AMERICA

NASD
NATIONAL ASSOCIATION OF SERVICE DEALERS

costs of doing business survey

COVERING THE YEAR

1987



Our business is best described as (check only one)

- Product sales only
- Product service only
- Primarily sales with some service
- X Primarily service with some sales
- Primarily rental

Principal product categories we sell, service or rent are — Approximate percent of total dollar volume

- Major appliances 40 %
- X Home electronics 58 %
- Furniture %
- Computers %
- Video tape rental %
- Product rental 2 %
- X Other (specify: Parts, service) 2 %

We employ a total of 12 full time employees and 2 part time employees

	full time	part time
Managers	3	
Sales	3	1
Service	4	1
Delivery		
Other	2	

8. We pay our salespeople primarily on the following basis:
   - X Salary only
   - Commission only
   - Salary and commission — What portion of salespersons' compensation is salary? ___ % What portion is commission? ___ %
   - Other (specify: ___)

9. We pay our service technicians primarily on the following basis:
   - X Salary only
   - Commission only
   - Salary and commission — What portion of technicians' compensation is salary? ___ % What portion is commission? ___ %
   - Other (specify: ___)

   Average hourly technician wage is $ 8.36

10. Our approximate percent of total sales volume is
    - 94 % cash or check transactions
    - 3 % bank credit card charges
    - % outside financing
    - 2 % in-house financing
    - 1

Please fill out this report completely. Use figures for the year ended December 31, 1987, or your most recent fiscal ye... Your operating statement may not be the same as the one below, so please pay careful attention to the categories. If you have more than one outlet, please combine all amounts.

- - - DO NOT SEND COPIES OF YOUR OPERATING STATEMENTS - - -

In compiling the NARDA/NASD Costs of doing business Survey, we can only use this completed NARDA-approved form. Copies of your financial statements will not be processed.

Line 1 - NET SALES (add lines 401 to 405) (1986 net sales: $ 1,563,225.00) (400) $ 1,723,234.00

Note: Use net sales figures after adjustments for customer returns. Leave income lines blank if they do not apply. Do NOT include income from interest or supplier re... sales. These should be entered on line 6, Other Income.

Include: Merchandise sales (401) $ 1,256950 .00

Service labor sales (402) $ 196,918.00

Service parts sales (403) $ 174,744.00

Service contract sales (404) $ 3,855.00

Rental sales (405) $ 90,767.00

Line 2 - COST OF MERCHANDISE SOLD & TECHNICIAN WAGES (add lines 501 to 504) (500) $ 1,259,181.00

Include: Cost of sold merchandise including freight (501) $ 979,773 .00
See worksheet A below.

Revenue producing technician wages (502) $ 116,170.00
See worksheet B below.

Cost of sold parts including freight (503) $ 136,224.00
See worksheet C below.

Cost of service contract sales (504) $ 2,246.00

Cost of rental sales (505) $ 24,768.00

Line 3 - GROSS PROFIT (line 1 minus line 2) $ 46...

Worksheet A

Use cost of sold merchandise only. Cost of sold merchandise is figured by adding the fiscal year beginning merchandise inventory plus merchandise purchases, then subtracting the fiscal year ending inventory.

Beginning inventory	plus	$ 187,289.00
Merchandise purchases	equals	$ 1,021,432.00
	minus	$ 1,208,721.00
Ending inventory	equals	$ 228,948.00
Cost of sold merchandise		$ 979,773.00

enter this amount on line 501

Worksheet B

Use revenue-producing technician wages only. Revenue-producing technician wages are figured by deducting the wages for all non-productive time from total wages.

Total technician wages	minus	$ 126,771.00
All wages paid for sick leave, vacation, holidays, and time not repairing product (This amount is included on line E)	equals	$ 10,601.00
Revenue-producing technician wages		$ 116,170.00

enter this amount on line 502

Worksheet C

Use cost of sold parts only. Cost of sold parts is figured by adding the fiscal year beginning parts inventory, adding parts purchases, then subtracting the fiscal year ending inventory.

Beginning parts inventory	plus	$ 35,000.00
Parts purchases	equals	$ 136,224.00
	minus	$ 171,224.00
Ending parts inventory	equals	$ 35,000.00
Cost of sold parts		$ 136,224.00

enter this amount on line 503

BALANCE SHEET INFORMATION
Covering the year 1987

Current Assets:		
Cash (on hand and in banks)		$ 36,560.00
Accounts receivable		79,239.00
Inventory - Total		263,948.00
Product inventory (From worksheet A)	$ 228,948.00	
Parts inventory (From worksheet C)	$ 35,000.00	
Other		823.00
Notes receivable, investments, prepaid expenses etc.)		300,566.00
Total Current Assets		84,212.00
Fixed Assets:		
Fixed Assets (Net after depreciation, land, building, vehicle, equipment, etc.)		
Other Assets:		79,779.00
Good Will		$ 544,557.00
Other Assets		
Total All Assets		$ 22634.00
Current Liabilities:		
Accounts Payable		225795.00
Notes Payable (less than one year)		25,410.00
Accrued Expenses Payable (less than one year)		284651.00
Other		
Total Current Liabilities		268,087.00
Long Term Liabilities:		
Long Term Liabilities (one year or longer)		552738.00
Total All Liabilities		-149,814.00)
Equity:		
Owner's Capital Investment		19,407.00
Prior years' retained earnings (Deficit)		22,226.00
1987 Profit (or loss)		$ 544,557.00
Total Liabilities & Equity		

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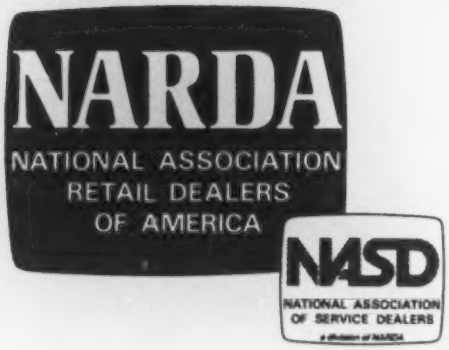


ANNUAL COSTS OF DOING BUSINESS SURVEY

This is the 47th annual Costs of Doing Business Survey published by NARDA. It covers the year 1987.

The report retains the very successful format introduced and modified over the past two years of using charts to illustrate changes and relationships between key operating ratios from one business category to another. The charts have been in use long enough so that three year trends can be tracked in some instances.

The most noteworthy statistic reported by retailers and servicers who participated does not show up in the individual reports. That is that 22 percent of all of the businesses which participated reported losses in 1987.

While the obverse is true - that 78 percent reported a positive net income in 1987 - the volume of money-losing businesses is greater than we have seen in a number of years. The root causes of this are apparent in the trends of individual operating ratios. While sales are up in most categories, margins are down in most, reflecting the intense price competition in many markets. At the same time general business expenses are up resulting in net income being down almost across the board.

Once again, the report shows the key operating ratios for each line of business and volume category where sufficient data was provided by the respondents to give valid statistics.

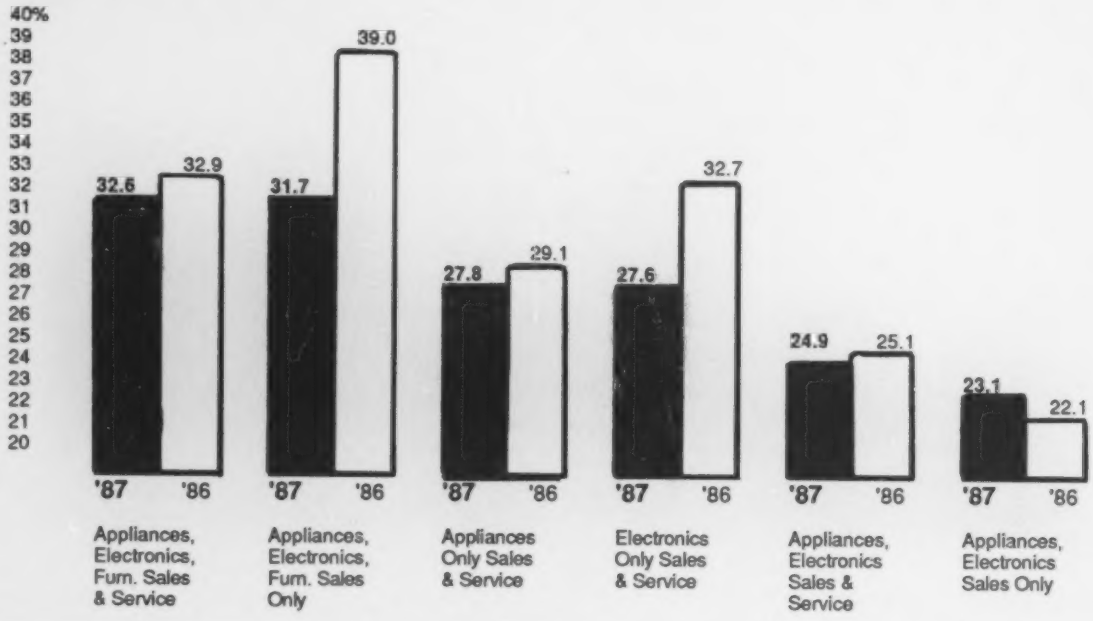
An explanation of how these key ratios are determined and their significance as a management tool are given on the inside back cover of this report.

To the dealer using this report to compare his or her numbers with industry averages, keep in mind that the averages in this report are based on a range of dealerships from the most profitable to the least profitable and those in between. The averages are not industry standards or goals. They are indicators of how the mathematically "average" dealership performs.

If your business is substantially above or below average in any area you should re-examine your goals, management philosophy and results to make sure that your company is performing according to your standards and to determine how you can improve that performance.

NARDA can help you with a variety of member services ranging from in-store consultations to seminars on all aspects of retail and service management, plus low group rates on business necessities such as insurance, retirement programs and bank card discounts. For more information call 1-800-621-0298; in Illinois call 312/953-8950.

Overall Gross Margins
(All volumes)



Gross Margin Breakdown
(All volumes)

Type of business	Merchandise sales		Service Contract sales		Service Labor sales		Parts sales	
	1987	1986	**1987**	1986	**1987**	1986	**1987**	1986
Appliance/electronics sales & service	**22.4**	24.3	**77.1**	73.0	**40.9**	41.1	**34.6**	35.4
Appliance/electronics sales only	**21.8**	21.4	**72.9**	64.0	—	—	—	—
Appliances sales & service	**23.6**	28.3	**86.1**	82.1	**47.9**	51.9	**37.6**	34.6
Electronics sales & service	**24.0**	31.3	**75.0**	71.0	**40.1**	41.0	**41.3**	43.9
Electronics sales only	**32.6**	29.0	**68.9**	60.8	—	—	—	—
Appl./Elec./Furn. sales & service	**30.0**	33.4	**87.5**	53.7	**49.2**	26.0	**42.2**	37.3
Appl./Elec./Furn. sales only	**31.6**	39.6	**51.4**	91.3	—	—	—	—
Electronics service only	—	—	**67.9**	NA	**56.7**	66.2	**30.2**	27.1
Apoliance service only	—	—	**67.6**	NA	**61.9**	60.7	**39.2**	42.3

Selected Operating Expenses as a percent of total sales

(All volumes)

Type of business	ADVERTISING and promotion; net, after co-op.			SALES COMPENSATION salaries and/or commission			OCCUPANCY COSTS rent or building depreciation		
	'87	'86	'85	'87	'86	'85	'87	'86	'85
Appl./Elec. sales & service	3.15	3.29	2.20	4.47	4.37	5.27	2.11	1.86	1.61
Appl./Elec. sales only	3.79	3.91	4.58	4.65	4.29	5.01	2.15	1.67	1.05
Appliances sales & service	2.99	2.67	3.15	2.90	3.23	2.55	2.47	2.52	1.85
Electronics sales & service	3.15	5.56	4.51	4.43	5.86	6.31	2.25	2.53	2.58
Appl./Elec./Furn. sales & service	3.51	5.39	4.30	5.59	5.08	5.82	2.53	2.96	2.70
Appl./Elec./Furn. sales only	3.60	3.96	5.13	4.24	6.58	4.21	2.41	3.11	1.50

Sales Volume - Inventory Turns - Net Profits

(All volumes)

Type of business	Sales volume increase (%) compared to previous year			Number of Inventory Turns not including parts			Net Profit (percent) before taxes		
	'87	'86	'85	'87	'86	'85	'87	'86	'85
Appliance/electronics sales and service	11.7	06.8	13.4	4.2	3.8	2.5	1.60	1.74	3.82
Appliance/electronics sales only	26.6	14.1	13.8	4.3	5.9	3.4	1.23	2.15	2.08
Appliances sales & service	18.5	03.6	11.0	5.2	3.9	4.2	.76	2.70	1.97
Electronics sales & service	13.6	15.7	04.6	3.5	3.6	3.2	1.96	.94	2.10
Appl./Elec./Furn. sales & service	05.3	00.6	03.5	2.7	2.8	3.8	1.66	3.27	1.87
Appl./Elec./Furn. sales only	02.6	12.9	03.6	3.9	6.3	3.9	4.26	8.54	4.58

APPLIANCE-ELECTRONICS SALES & SERVICE VOLUME UNDER $1 MILLION

SALES TRANSACTIONS

Total annual sales, compared to 1986, were up 7.9%

Of the dealers reporting types of sales transactions, these were the average percentage of transactions involving:

Cash	61.9
Bank Credit Cards	08.4
Outside Financing	18.6
In-house Financing	11.1

PERSONNEL

The average percent of total employees in each category was:

	Full time	*Part time*
Owners/managers	20.1	01.6
Sales Personnel	12.0	02.8
Service Technicians	24.5	03.8
Office Personnel	12.0	02.8
Delivery Personnel	12.0	04.9
Other	01.1	02.4

Total annual sales per employee averaged $85,274

EMPLOYEE COMPENSATION

Percent of dealers paying their salespeople:

Salary Only	57.1
Commission Only	09.5
Salary & Commission	33.3
Other	00.0

For those paying salary and commission,

72.4% was salary
27.6% was commission

The average annual sales per salesperson was $581,128

Percent of dealers paying their technicians:

Salary Only	52.0
Commission Only	16.0
Salary & Commission	24.0
Other	08.0

For those paying salary and commission,

90.0 % was salary
10.0% was commission

The average hourly technician wage was $9.36

ADVERTISING EXPENDITURES

Of the dealers providing a report on how their advertising dollars were spent, the average percentage of ad budget was used for:

Newspaper	54.8
Television	06.8
Radio	16.5
Yellow Pages	13.2
Direct Mail	06.8
Other	01.5

SPACE ALLOCATION

Average square feet per location used for:

Sales & Display	2645
Office	318
Service	980
Warehouse	1956

The average number of locations was 1.2

The average annual sales per square foot of total space was $96

The average annual sales per square foot of selling space was $215

MISCELLANEOUS

Percentage of dealers in this category selling service contracts was 86.9%

Of those dealers selling service contracts, 20.0% *were self-funded programs.*

Percentage of dealers in this category using in store computers was 39.1%

Percentage of dealers in this category using an outside data processing service was 26.0%

Percentage of dealers in this category belonging to a buying group or cooperative was 47.8%

RATIOS

Annual inventory turns on merchandise averaged 3.2

Annual inventory turns on parts averaged 3.6

Average current ratio was 2.1 to 1

Average quick assets ratio was .7 to 1

Average number of working capital turns was 5.7

Average net return on investment was 13.0%

APPLIANCE - ELECTRONICS SALES & SERVICE
UNDER $1 MILLION

			Yours
NET SALES		100.00	
Merchandise Sales	100		
Labor Sales	100		
Parts Sales	100		
Service Contract Sales	100		
COST OF SALES		72.69	
Cost of Merchandise	76.17		
Cost of Labor	65.77		
Cost of Parts	60.86		
Cost of Service Contract Sales	30.62		
GROSS MARGIN		27.31	
TOTAL OPERATING COSTS		26.61	
Owner and Manager Salaries	4.06		
Office Salaries	2.17		
Sales Salaries	2.69		
Delivery Wages	1.78		
Other Payroll	.66		
Employee Benefits	.24		
Payroll Taxes	1.24		
Insurance - Group Life & Health	.79		
Insurance - Property & Liability	.89		
Rent or Building Depreciation	2.15		
Utilities	.89		
Telephone	.46		
Yellow Page Advertising	.29		
Other Advertising & Promotion	3.45		
Vehicle lease and/or expense	.84		
Equipment lease and/or expense	.17		
Depreciation	.96		
Licenses & Taxes	.44		
Supplies	.73		
Professional Fees	.33		
Travel & Training Expense	.34		
Miscellaneous Expense	1.04		
NET OPERATING PROFIT		.70	
OTHER INCOME		2.83	
Interest Income	.53		
Supplier Rebates	.46		
Other	1.84		
TOTAL INCOME		3.53	
OTHER EXPENSE		1.64	
Interest Paid	1.30		
Other	.34		
TOTAL NET PROFIT BEFORE INCOME TAXES		1.89	
TOTAL FEDERAL & STATE INCOME TAXES	.39		
NET INCOME		1.50	

APPLIANCE-ELECTRONICS SALES & SERVICE VOLUME $1-3 MILLION

SALES TRANSACTIONS

Total annual sales, compared to 1986, were up 11.9%

Of the dealers reporting types of sales transactions, these were the average percentage of transactions involving:

Cash	59.8
Bank Credit Cards	11.9
Outside Financing	14.1
In-house Financing	14.2

PERSONNEL

The average percent of total employees in each category was:

	Full time	*Part time*
Owners/managers	15.3	00.3
Sales Personnel	18.5	02.2
Service Technicians	23.3	00.3
Office Personnel	14.9	04.6
Delivery Personnel	11.6	03.2
Other	03.2	02.3

Total annual sales per employee averaged $108,686

EMPLOYEE COMPENSATION

Percent of dealers paying their salespeople:

Salary Only	31.5
Commission Only	26.3
Salary & Commission	39.4
Other	02.8

For those paying salary and commission,

53.7% was salary
46.3% was commission

The average annual sales per salesperson was $527,366

Percent of dealers paying their technicians:

Salary Only	56.4
Commission Only	15.3
Salary & Commission	25.6
Other	02.7

For those paying salary and commission,

79.0% was salary
21.0% was commission

The average hourly technician wage was $8.69

ADVERTISING EXPENDITURES

Of the dealers providing a report on how their advertising dollars were spent, the average percentage of ad budget was used for:

Newspaper	61.2
Television	06.0
Radio	17.0
Yellow Pages	08.5
Direct Mail	06.4
Other	00.9

SPACE ALLOCATION

Average square feet per location used for:

Sales & Display	2237
Office	273
Service	623
Warehouse	1873

The average number of locations was 2.7

The average annual sales per square foot of total space was $125

The average annual sales per square foot of selling space was $281

MISCELLANEOUS

Percentage of dealers in this category selling service contracts was 94.7%

Of those dealers selling service contracts, 20.0% *were self-funded programs.*

Percentage of dealers in this category using in store computers was 55.2%

Percentage of dealers in this category using an outside data processing service was 23.6%

Percentage of dealers in this category belonging to a buying group or cooperative was 84.2%

RATIOS

Annual inventory turns on merchandise averaged 3.68

Annual inventory turns on parts averaged 1.55

Average current ratio was 1.9 to 1

Average quick assets ratio was 0.7 to 1

Average number of working capital turns was 6.9

Average net return on investment was 13.4%

APPLIANCE - ELECTRONICS SALES & SERVICE
$1 - $3 MILLION

			Yours
NET SALES		100.00	
Merchandise Sales	100		
Labor Sales	100		
Parts Sales	100		
Service Contract Sales	100		
COST OF SALES		74.46	
Cost of Merchandise	77.82		
Cost of Labor	49.08		
Cost of Parts	65.88		
Cost of Service Contract Sales	46.22		
GROSS MARGIN		25.54	
TOTAL OPERATING COSTS		24.63	
Owner and Manager Salaries	3.83		
Office Salaries	1.81		
Sales Salaries	3.73		
Delivery Wages	1.35		
Other Payroll	.88		
Employee Benefits	.20		
Payroll Taxes	1.36		
Insurance - Group Life & Health	.67		
Insurance - Property & Liability	.89		
Rent or Building Depreciation	2.08		
Utilities	.63		
Telephone	.41		
Yellow Page Advertising	.27		
Other Advertising & Promotion	2.16		
Vehicle lease and/or expense	.67		
Equipment lease and/or expense	.09		
Depreciation	.85		
Licenses & Taxes	.32		
Supplies	.63		
Professional Fees	.28		
Travel & Training Expense	.26		
Miscellaneous Expense	1.26		
NET OPERATING PROFIT		.91	
OTHER INCOME		2.21	
Interest Income	.52		
Supplier Rebates	.89		
Other	.80		
TOTAL INCOME		3.12	
OTHER EXPENSE		1.12	
Interest Paid	.81		
Other	.31		
TOTAL NET PROFIT BEFORE INCOME TAXES		2.00	
TOTAL FEDERAL & STATE INCOME TAXES	.51		
NET INCOME		1.49	

APPLIANCE-ELECTRONICS SALES & SERVICE VOLUME $3-5 MILLION

SALES TRANSACTIONS

Total annual sales, compared to 1986, were up 09.6%

Of the dealers reporting types of sales transactions, these were the average percentage of transactions involving:

Cash	55.0
Bank Credit Cards	13.8
Outside Financing	11.1
In-house Financing	20.1

PERSONNEL

The average percent of total employees in each category was:

	Full time	*Part time*
Owners/managers	17.2	00.4
Sales Personnel	23.7	05.1
Service Technicians	23.7	00.4
Office Personnel	09.9	02.9
Delivery Personnel	09.5	00.4
Other	04.4	02.4

Total annual sales per employee averaged $104,290

EMPLOYEE COMPENSATION

Percent of dealers paying their salespeople:

Salary Only	12.5
Commission Only	37.5
Salary & Commission	50.0
Other	00.0

For those paying salary and commission,

42.8 % was salary
57.2% was commission

The average annual sales per salesperson was $361,716

Percent of dealers paying their technicians:

Salary Only	50.0
Commission Only	25.0
Salary & Commission	25.0
Other	00.0

For those paying salary and commission,

71.5% was salary
28.5% was commission

The average hourly technician wage was $8.25

ADVERTISING EXPENDITURES

Of the dealers providing a report on how their advertising dollars were spent, the average percentage of ad budget was used for:

Newspaper	43.1
Television	13.3
Radio	16.5
Yellow Pages	21.0
Direct Mail	04.3
Other	01.8

SPACE ALLOCATION

Average square feet per location used for:

Sales & Display	2635
Office	421
Service	635
Warehouse	2858

The average number of locations was 3.7

The average annual sales per square foot of total space was $150

The average annual sales per square foot of selling space was $373

MISCELLANEOUS

Percentage of dealers in this category selling service contracts was 75.0%

Of those dealers selling service contracts, 33.3% *were self-funded programs.*

Percentage of dealers in this category using in store computers was 75.0%

Percentage of dealers in this category using an outside data processing service was 12.5%

Percentage of dealers in this category belonging to a buying group or cooperative was 75.0%

RATIOS

Annual inventory turns on merchandise averaged 4.37

Annual inventory turns on parts averaged 2.08

Average current ratio was 1.7 to 1

Average quick assets ratio was 0.7 to 1

Average number of working capital turns was 7.5

Average net return on investment was 14.5%

APPLIANCE - ELECTRONICS SALES & SERVICE
$3 - $5 MILLION

			Yours
NET SALES		100.00	
Merchandise Sales	100		
Labor Sales	100		
Parts Sales	100		
Service Contract Sales	100		
COST OF SALES		73.35	
Cost of Merchandise	77.89		
Cost of Labor	54.71		
Cost of Parts	46.83		
Cost of Service Contract Sales	23.23		
GROSS MARGIN		26.65	
TOTAL OPERATING COSTS		27.35	
Owner and Manager Salaries	4.33		
Office Salaries	1.70		
Sales Salaries	5.85		
Delivery Wages	1.18		
Other Payroll	.20		
Employee Benefits	.08		
Payroll Taxes	1.43		
Insurance - Group Life & Health	.54		
Insurance - Property & Liability	.83		
Rent or Building Depreciation	2.36		
Utilities	.71		
Telephone	.52		
Yellow Page Advertising	.45		
Other Advertising & Promotion	2.83		
Vehicle lease and/or expense	.46		
Equipment lease and/or expense	.09		
Depreciation	.54		
Licenses & Taxes	.23		
Supplies	.83		
Professional Fees	.59		
Travel & Training Expense	.33		
Miscellaneous Expense	1.27		
NET OPERATING PROFIT		(.70)	
OTHER INCOME		3.78	
Interest Income	.93		
Supplier Rebates	1.38		
Other	1.47		
TOTAL INCOME		3.08	
OTHER EXPENSE		.92	
Interest Paid	.62		
Other	.30		
TOTAL NET PROFIT BEFORE INCOME TAXES		2.16	
TOTAL FEDERAL & STATE INCOME TAXES	.19		
NET INCOME		1.97	

APPLIANCE-ELECTRONICS SALES & SERVICE VOLUME $5-10 MILLION

SALES TRANSACTIONS

Total annual sales, compared to 1986, were up 6.7%

Of the dealers reporting types of sales transactions, these were the average percentage of transactions involving:

Cash	52.7
Bank Credit Cards	12.7
Outside Financing	22.2
In-house Financing	12.4

PERSONNEL

The average percent of total employees in each category was:

	Full time	*Part time*
Owners/managers	12.1	00.0
Sales Personnel	28.3	01.3
Service Technicians	15.5	00.0
Office Personnel	14.2	06.0
Delivery Personnel	13.9	03.1
Other	04.7	00.9

Total annual sales per employee averaged $130,729

EMPLOYEE COMPENSATION

Percent of dealers paying their salespeople:

Salary Only	12.5
Commission Only	37.5
Salary & Commission	37.5
Other	12.5

For those paying salary and commission,

33.3 % was salary
66.7% was commission

The average annual sales per salesperson was $440,775

Percent of dealers paying their technicians:

Salary Only	28.5
Commission Only	42.8
Salary & Commission	14.2
Other	14.5

For those paying salary and commission,

75.0 % was salary
25.0% was commission

The average hourly technician wage was $10.57

ADVERTISING EXPENDITURES

Of the dealers providing a report on how their advertising dollars were spent, the average percentage of ad budget was used for:

Newspaper	53.7
Television	22.4
Radio	15.1
Yellow Pages	02.7
Direct Mail	05.0
Other	01.1

SPACE ALLOCATION

Average square feet per location used for:

Sales & Display	5536
Office	1445
Service	1453
Warehouse	4239

Average number of locations was 3.2

The average annual sales per square foot of total space was $178

The average annual sales per square foot of selling space was $417

MISCELLANEOUS

Percentage of dealers in this category selling service contracts was 100%

Of those dealers selling service contracts, 71.4% *were self-funded programs.*

Percentage of dealers in this category using in store computers was 85.7%

Percentage of dealers in this category using an outside data processing service was 14.3%

Percentage of dealers in this category belonging to a buying group or cooperative was 100%

RATIOS

Annual inventory turns on merchandise averaged 4.2

Annual inventory turns on parts averaged 0.7

Average current ratio was 1.5 to 1

Average quick assets ratio was .5 to 1

Average number of working capital turns was 10.3

Average net return on investment was 19.6%

APPLIANCE - ELECTRONICS SALES & SERVICE
$5 - $10 MILLION

			Yours
NET SALES		100.00	
Merchandise Sales	100		
Labor Sales	100		
Parts Sales	100		
Service Contract Sales	100		
COST OF SALES		74.23	
Cost of Merchandise	76.20		
Cost of Labor	59.50		
Cost of Parts	70.01		
Cost of Service Contract Sales	19.89		
GROSS MARGIN		25.77	
TOTAL OPERATING COSTS		25.31	
Owner and Manager Salaries	3.09		
Office Salaries	2.03		
Sales Salaries	4.82		
Delivery Wages	1.49		
Other Payroll	1.03		
Employee Benefits	.42		
Payroll Taxes	1.21		
Insurance - Group Life & Health	.58		
Insurance - Property & Liability	.67		
Rent or Building Depreciation	1.94		
Utilities	.58		
Telephone	.38		
Yellow Page Advertising	.08		
Other Advertising & Promotion	3.66		
Vehicle lease and/or expense	.58		
Equipment lease and/or expense	.19		
Depreciation	.55		
Licenses & Taxes	.23		
Supplies	.84		
Professional Fees	.20		
Travel & Training Expense	.14		
Miscellaneous Expense	.60		
NET OPERATING PROFIT		.46	
OTHER INCOME		2.97	
Interest Income	.79		
Supplier Rebates	.98		
Other	1.20		
TOTAL INCOME		3.43	
OTHER EXPENSE		1.43	
Interest Paid	.91		
Other	.52		
TOTAL NET PROFIT BEFORE INCOME TAXES		2.00	
TOTAL FEDERAL & STATE INCOME TAXES	.56		
NET INCOME		1.44	

APPLIANCE-ELECTRONICS SALES & SERVICE VOLUME OVER $10 MILLION

SALES TRANSACTIONS

Total annual sales, compared to 1986, were up 12.6%

Of the dealers reporting types of sales transactions, these were the average percentage of transactions involving:

Cash	58.2
Bank Credit Cards	17.7
Outside Financing	20.6
In-house Financing	03.5

PERSONNEL

The average percent of total employees in each category was:

	Full time	*Part time*
Owners/managers	08.8	00.0
Sales Personnel	22.3	00.3
Service Technicians	13.3	00.0
Office Personnel	15.0	04.7
Delivery Personnel	14.5	00.7
Other	19.1	01.3

Total annual sales per employee averaged $149,158

EMPLOYEE COMPENSATION

Percent of dealers paying their salespeople:

Salary Only	00.0
Commission Only	71.4
Salary & Commission	28.6
Other	00.0

For those paying salary and commission,

18.0% was salary
82.0% was commission

The average annual sales per salesperson was $661,362

Percent of dealers paying their technicians:

Salary Only	14.2
Commission Only	42.8
Salary & Commission	28.5
Other	14.5

For those paying salary and commission,

45.0 % was salary
55.0% was commission

The average hourly technician wage was $9.53

ADVERTISING EXPENDITURES

Of the dealers providing a report on how their advertising dollars were spent, the average percentage of ad budget was used for:

Newspaper	55.9
Television	23.7
Radio	13.0
Yellow Pages	02.5
Direct Mail	02.7
Other	02.2

SPACE ALLOCATION

Average square feet per location used for:

Sales & Display	8706
Office	771
Service	1612
Warehouse	5206

Average number of locations was 6.8

The average annual sales per square foot of total space was $169

The average annual sales per square foot of selling space was $317

MISCELLANEOUS

Percentage of dealers in this category selling service contracts was 100%

Of those dealers selling service contracts, 85.7% *were self-funded programs.*

Percentage of dealers in this category using in store computers was 100%

Percentage of dealers in this category using an outside data processing service was -0-%

Percentage of dealers in this category belonging to a buying group or cooperative was 85.7%

RATIOS

Annual inventory turns on merchandise averaged 4.4

Annual inventory turns on parts averaged 1.5

Average current ratio was 1.3 to 1

Average quick assets ratio was 0.3 to 1

Average number of working capital turns was 18.9

Average net return on investment was 10.9%

APPLIANCE - ELECTRONICS SALES & SERVICE
OVER $10 MILLION

			Yours
NET SALES		100.00	
Merchandise Sales	100		
Labor Sales	100		
Parts Sales	100		
Service Contract Sales	100		
COST OF SALES		76.61	
Cost of Merchandise	78.28		
Cost of Labor	70.80		
Cost of Parts	80.81		
Cost of Service Contract Sales	19.95		
GROSS MARGIN		23.39	
TOTAL OPERATING COSTS		24.27	
Owner and Manager Salaries	3.09		
Office Salaries	1.67		
Sales Salaries	4.59		
Delivery Wages	1.32		
Other Payroll	1.21		
Employee Benefits	.73		
Payroll Taxes	1.10		
Insurance - Group Life & Health	.44		
Insurance - Property & Liability	.52		
Rent or Building Depreciation	2.15		
Utilities	.43		
Telephone	.44		
Yellow Page Advertising	.10		
Other Advertising & Promotion	3.04		
Vehicle lease and/or expense	.47		
Equipment lease and/or expense	.08		
Depreciation	.73		
Licenses & Taxes	.24		
Supplies	.59		
Professional Fees	.18		
Travel & Training Expense	.11		
Miscellaneous Expense	1.04		
NET OPERATING PROFIT		(.88)	
OTHER INCOME		2.83	
Interest Income	.22		
Supplier Rebates	1.47		
Other	1.14		
TOTAL INCOME		1.95	
OTHER EXPENSE		.99	
Interest Paid	.58		
Other	.41		
TOTAL NET PROFIT BEFORE INCOME TAXES		.96	
TOTAL FEDERAL & STATE INCOME TAXES	.59		
NET INCOME		.37	

APPLIANCE-ELECTRONICS SALES & SERVICE
AVERAGE ALL VOLUMES

SALES TRANSACTIONS

Total annual sales, compared to 1986, were up 11.6%

Of the dealers reporting types of sales transactions, these were the average percentage of transactions involving:

Cash	59.2
Bank Credit Cards	11.7
Outside Financing	16.4
In-house Financing	12.7

PERSONNEL

The average percent of total employees in each category was:

	Full time	*Part time*
Owners/managers	13.2	00.3
Sales Personnel	21.7	01.8
Service Technicians	18.7	00.5
Office Personnel	13.9	04.5
Delivery Personnel	12.8	02.1
Other	08.8	01.7

Total annual sales per employee averaged $123,633

EMPLOYEE COMPENSATION

Percent of dealers paying their salespeople:

Salary Only	31.7
Commission Only	28.0
Salary & Commission	37.8
Other	02.5

For those paying salary and commission,

51.3 % was salary
48.7% was commission

The average annual sales per salesperson was $527,134

Percent of dealers paying their technicians:

Salary Only	48.8
Commission Only	20.9
Salary & Commission	24.4
Other	05.9

For those paying salary and commission,

78.4% was salary
21.6% was commission

The average hourly technician wage was $9.20

ADVERTISING EXPENDITURES

Of the dealers providing a report on how their advertising dollars were spent, the average percentage of ad budget was used for:

Newspaper	57.0
Television	09.9
Radio	16.3
Yellow Pages	09.7
Direct Mail	05.9
Other	01.2

SPACE ALLOCATION

Average square feet per location used for:

Sales & Display	3595
Office	487
Service	886
Warehouse	2700

Average number of locations was 2.8

The average annual sales per square foot of total space was $151

The average annual sales per square foot of selling space was $322

MISCELLANEOUS

Percentage of dealers in this category selling service contracts was 91.5%

Of those dealers selling service contracts, 32.0% *were self-funded programs.*

Percentage of dealers in this category using in store computers was 59.0%

Percentage of dealers in this category using an outside data processing service was 20.4%

Percentage of dealers in this category belonging to a buying group or cooperative was 74.6%

RATIOS

Annual inventory turns on merchandise averaged 4.2

Annual inventory turns on parts averaged 1.5

Average current ratio was 1.5 to 1

Average quick assets ratio was .5 to 1

Average number of working capital turns was 10.4

Average net return on investment was 13.7%

APPLIANCE - ELECTRONICS SALES & SERVICE
AVERAGE ALL VOLUMES

			Yours
NET SALES		100.00	
Merchandise Sales	100		
Labor Sales	100		
Parts Sales	100		
Service Contract Sales	100		
COST OF SALES		75.11	
Cost of Merchandise	77.61		
Cost of Labor	59.08		
Cost of Parts	65.40		
Cost of Service Contract Sales	22.89		
GROSS MARGIN		24.89	
TOTAL OPERATING COSTS		24.98	
Owner and Manager Salaries	3.43		
Office Salaries	1.80		
Sales Salaries	4.47		
Delivery Wages	1.37		
Other Payroll	.97		
Employee Benefits	.46		
Payroll Taxes	1.22		
Insurance - Group Life & Health	.55		
Insurance - Property & Liability	.68		
Rent or Building Depreciation	2.11		
Utilities	.55		
Telephone	.43		
Yellow Page Advertising	.18		
Other Advertising & Promotion	2.97		
Vehicle lease and/or expense	.56		
Equipment lease and/or expense	.11		
Depreciation	.71		
Licenses & Taxes	.27		
Supplies	.68		
Professional Fees	.25		
Travel & Training Expense	.19		
Miscellaneous Expense	1.02		
NET OPERATING PROFIT		(.09)	
OTHER INCOME		2.82	
Interest Income	.49		
Supplier Rebates	1.18		
Other	1.15		
TOTAL INCOME		2.73	
OTHER EXPENSE		1.13	
Interest Paid	.74		
Other	.39		
TOTAL NET PROFIT BEFORE INCOME TAXES		1.60	
TOTAL FEDERAL & STATE INCOME TAXES	.51		
NET INCOME		1.09	

APPLIANCE-ELECTRONICS SALES ONLY
VOLUME UNDER $1 MILLION

SALES TRANSACTIONS

Total annual sales, compared to 1986, were up 02.2%

Of the dealers reporting types of sales transactions, these were the average percentage of transactions involving:

Cash	61.7
Bank Credit Cards	12.5
Outside Financing	25.2
In-house Financing	00.6

PERSONNEL

The average percent of total employees in each category was:

	Full time	*Part time*
Owners/managers	23.5	00.0
Sales Personnel	26.5	02.9
Office Personnel	08.8	05.9
Delivery Personnel	02.9	09.0
Other	17.6	02.9

Total annual sales per employee averaged $71,668

EMPLOYEE COMPENSATION

Percent of dealers paying their salespeople:

Salary Only	00.0
Commission Only	00.0
Salary & Commission	100.0
Other	00.0

For those paying salary and commission,

75.0 % was salary
25.0% was commission

The average annual sales per salesperson was $243,670

ADVERTISING EXPENDITURES

Of the dealers providing a report on how their advertising dollars were spent, the average percentage of ad budget was used for:

Newspaper	61.2
Television	01.2
Radio	09.7
Yellow Pages	24.0
Direct Mail	03.7
Other	00.0

SPACE ALLOCATION

Average square feet per location used for:

Sales & Display	2667
Office	275
Warehouse	2500

Average number of locations was 1.5

The average annual sales per square foot of total space was $63

The average annual sales per square foot of selling space was $152

MISCELLANEOUS

Percentage of dealers in this category selling service contracts was 75.0%

Of those dealers selling service contracts, 66.6% *were self-funded programs.*

Percentage of dealers in this category using in store computers was 50.0%

Percentage of dealers in this category using an outside data processing service was 25.0%

Percentage of dealers in this category belonging to a buying group or cooperative was 75.0%

RATIOS

Annual inventory turns on merchandise averaged 2.9

Average current ratio was 1.6 to 1

Average quick assets ratio was 0.3 to 1

Average number of working capital turns was 7.3

Average net return on investment was 02.2%

APPLIANCE - ELECTRONICS SALES ONLY
UNDER $1 MILLION

			Yours
NET SALES		100.00	
COST OF SALES		74.39	
GROSS MARGIN		25.61	
TOTAL OPERATING COSTS		25.78	
Owner and Manager Salaries	5.00		
Office Salaries	2.70		
Sales Salaries	3.16		
Delivery Wages	.49		
Other Payroll	.54		
Employee Benefits	.16		
Payroll Taxes	1.50		
Insurance - Group Life & Health	.78		
Insurance - Property & Liability	.50		
Rent or Building Depreciation	2.41		
Utilities	.86		
Telephone	.24		
Yellow Page Advertising	.16		
Other Advertising & Promotion	3.11		
Vehicle lease and/or expense	1.09		
Equipment lease and/or expense	.00		
Depreciation	.90		
Licenses & Taxes	.50		
Supplies	.47		
Professional Fees	.32		
Travel & Training Expense	.44		
Miscellaneous Expense	.45		
NET OPERATING PROFIT		(.17)	
OTHER INCOME		1.01	
Interest Income	.11		
Supplier Rebates	.63		
Other	.27		
TOTAL INCOME		.84	
OTHER EXPENSE		.50	
Interest Paid	.32		
Other	.18		
TOTAL NET PROFIT BEFORE INCOME TAXES		.34	
TOTAL FEDERAL & STATE INCOME TAXES	.01		
NET INCOME		.33	

APPLIANCE-ELECTRONICS SALES ONLY
VOLUME $1-3 MILLION

SALES TRANSACTIONS

Total annual sales, compared to 1986, were up 04.4%

Of the dealers reporting types of sales transactions, these were the average percentage of transactions involving:

Cash	59.7
Bank Credit Cards	14.7
Outside Financing	13.2
In-house Financing	12.4

PERSONNEL

The average percent of total employees in each category was:

	Full time	*Part time*
Owners/managers	23.9	00.0
Sales Personnel	20.7	02.2
Office Personnel	13.0	06.5
Delivery Personnel	17.4	02.2
Other	12.0	02.1

Total annual sales per employee averaged $169,258

EMPLOYEE COMPENSATION

Percent of dealers paying their salespeople:

Salary Only	25.0
Commission Only	25.0
Salary & Commission	50.0
Other	00.0

For those paying salary and commission,

57.8% was salary
42.2% was commission

The average annual sales per salesperson was $741,513

ADVERTISING EXPENDITURES

Of the dealers providing a report on how their advertising dollars were spent, the average percentage of ad budget was used for:

Newspaper	59.6
Television	06.5
Radio	19.7
Yellow Pages	07.8
Direct Mail	06.4
Other	00.0

SPACE ALLOCATION

Average square feet per location used for:

Sales & Display	3209
Office	226
Warehouse	1809

Average number of locations was 1.6

The average annual sales per square foot of total space was $227

The average annual sales per square foot of selling space was $379

MISCELLANEOUS

Percentage of dealers in this category selling service contracts was 100%

Of those dealers selling service contracts, -0-% were self-funded programs.

Percentage of dealers in this category using in store computers was 50.0%

Percentage of dealers in this category using an outside data processing service was 12.5%

Percentage of dealers in this category belonging to a buying group or cooperative was 87.5%

RATIOS

Annual inventory turns on merchandise averaged 5.3

Average current ratio was 1.5 to 1

Average quick assets ratio was 0.8 to 1

Average number of working capital turns was 9.6

Average net return on investment was 09.9%

APPLIANCE - ELECTRONICS SALES ONLY
$1 - $3 MILLION

			Yours
NET SALES		100.00	
Merchandise Sales	100		
Service Contract Sales	100		
COST OF SALES		76.88	
Cost of Merchandise	76.95		
Cost of Service Contract Sales	48.53		
GROSS MARGIN		23.12	
TOTAL OPERATING COSTS		24.47	
Owner and Manager Salaries	4.73		
Office Salaries	1.50		
Sales Salaries	3.39		
Delivery Wages	1.32		
Other Payroll	.76		
Employee Benefits	.54		
Payroll Taxes	.92		
Insurance - Group Life & Health	.43		
Insurance - Property & Liability	.66		
Rent or Building Depreciation	2.16		
Utilities	.50		
Telephone	.46		
Yellow Page Advertising	.19		
Other Advertising & Promotion	3.44		
Vehicle lease and/or expense	.44		
Equipment lease and/or expense	.14		
Depreciation	.84		
Licenses & Taxes	.36		
Supplies	.89		
Professional Fees	.37		
Travel & Training Expense	.19		
Miscellaneous Expense	.24		
NET OPERATING PROFIT		(1.35)	
OTHER INCOME		4.36	
Interest Income	2.43		
Supplier Rebates	.12		
Other	1.81		
TOTAL INCOME		3.01	
OTHER EXPENSE		2.01	
Interest Paid	1.10		
Other	.91		
TOTAL NET PROFIT BEFORE INCOME TAXES		1.00	
TOTAL FEDERAL & STATE INCOME TAXES	.23		
NET INCOME		.77	

APPLIANCE-ELECTRONICS SALES ONLY
VOLUME $3-5 MILLION

SALES TRANSACTIONS

Total annual sales, compared to 1986, were up 3.0%

Of the dealers reporting types of sales transactions, these were the average percentage of transactions involving:

Cash	54.6
Bank Credit Cards	13.7
Outside Financing	27.8
In-house Financing	03.7

PERSONNEL

The average percent of total employees in each category was:

	Full time	*Part time*
Owners/managers	12.3	00.0
Sales Personnel	36.9	04.7
Office Personnel	18.7	04.7
Delivery Personnel	14.0	01.8
Other	04.7	02.2

Total annual sales per employee averaged $170,210

EMPLOYEE COMPENSATION

Percent of dealers paying their salespeople:

Salary Only	00.0
Commission Only	50.0
Salary & Commission	50.0
Other	00.0

For those paying salary and commission,

66.7% was salary
33.3% was commission

The average annual sales per salesperson was $415,800

ADVERTISING EXPENDITURES

Of the dealers providing a report cn how their advertising dollars were spent, the average percentage of ad budget was used for:

Newspaper	56.8
Television	14.7
Radio	17.2
Yellow Pages	05.7
Direct Mail	04.8
Other	00.8

SPACE ALLOCATION

Average square feet per location used for:

Sales & Display	4682
Office	891
Warehouse	3920

Average number of locations was 2.1

The average annual sales per square foot of total space was $180

The average annual sales per square foot of selling space was $370

MISCELLANEOUS

Percentage of dealers in this category selling service contracts was 100%

Of those dealers selling service contracts, 50.0% *were self-funded programs.*

Percentage of dealers in this category using in store computers was 75.0%

Percentage of dealers in this category using an outside data processing service was -0-%

Percentage of dealers in this category belonging to a buying group or cooperative was 100%

RATIOS

Annual inventory turns on merchandise averaged 4.5

Average current ratio was 1.2 to 1

Average quick assets ratio was 0.3 to 1

Average number of working capital turns was 22.2

Average net return on investment was 34.7%

APPLIANCE - ELECTRONICS SALES ONLY
$3 - $5 MILLION

			Yours
NET SALES		100.00	
Merchandise Sales	100		
Service Contract Sales	100		
COST OF SALES		76.79	
Cost of Merchandise	77.58		
Cost of Service Contract Sales	29.93		
GROSS MARGIN		23.21	
TOTAL OPERATING COSTS		21.31	
Owner and Manager Salaries	2.19		
Office Salaries	1.18		
Sales Salaries	5.05		
Delivery Wages	1.13		
Other Payroll	.58		
Employee Benefits	.17		
Payroll Taxes	.72		
Insurance - Group Life & Health	.45		
Insurance - Property & Liability	.63		
Rent or Building Depreciation	2.05		
Utilities	.47		
Telephone	.26		
Yellow Page Advertising	.16		
Other Advertising & Promotion	2.97		
Vehicle lease and/or expense	.55		
Equipment lease and/or expense	.13		
Depreciation	.69		
Licenses & Taxes	.18		
Supplies	.55		
Professional Fees	.36		
Travel & Training Expense	.33		
Miscellaneous Expense	.51		
NET OPERATING PROFIT		1.90	
OTHER INCOME		1.44	
Interest Income	.54		
Supplier Rebates	.52		
Other	.38		
TOTAL INCOME		3.34	
OTHER EXPENSE		.92	
Interest Paid	.89		
Other	.03		
TOTAL NET PROFIT BEFORE INCOME TAXES		2.42	
TOTAL FEDERAL & STATE INCOME TAXES	.51		
NET INCOME		1.91	

APPLIANCE-ELECTRONICS SALES ONLY
VOLUME OVER $5 MILLION

SALES TRANSACTIONS

Total annual sales, compared to 1986, were up 30.5%

Of the dealers reporting types of sales transactions, these were the average percentage of transactions involving:

Cash	52.0
Bank Credit Cards	22.0
Outside Financing	18.0
In-house Financing	08.0

PERSONNEL

The average percent of total employees in each category was:

	Full time	*Part time*
Owners/managers	10.8	00.0
Sales Personnel	38.5	04.1
Office Personnel	18.5	01.4
Delivery Personnel	23.1	00.0
Other	03.6	00.0

Total annual sales per employee averaged $195,653

EMPLOYEE COMPENSATION

Percent of dealers paying their salespeople:

Salary Only	00.0
Commission Only	66.6
Salary & Commission	33.4
Other	00.0

For those paying salary and commission,

65.0 % was salary
35.0% was commission

The average annual sales per salesperson was $459,668

ADVERTISING EXPENDITURES

Of the dealers providing a report on how their advertising dollars were spent, the average percentage of ad budget was used for:

Newspaper	60.0
Television	08.8
Radio	14.5
Yellow Pages	01.3
Direct Mail	13.5
Other	01.9

SPACE ALLOCATION

Average square feet per location used for:

Sales & Display	5688
Office	652
Warehouse	6196

Average number of locations was 2.3

The average annual sales per square foot of total space was $258

The average annual sales per square foot of selling space was $583

MISCELLANEOUS

Percentage of dealers in this category selling service contracts was 100%

Of those dealers selling service contracts, 16.6% *were self-funded programs.*

Percentage of dealers in this category using in store computers was 83.3%

Percentage of dealers in this category using an outside data processing service was -0-%

Percentage of dealers in this category belonging to a buying group or cooperative was 83.3%

RATIOS

Annual inventory turns on merchandise averaged 04.6

Average current ratio was 1.2 to 1

Average quick assets ratio was 0.3 to 1

Average number of working capital turns was 23.8

Average net return on investment was 11.3%

APPLIANCE - ELECTRONICS SALES ONLY
OVER $ 5 MILLION

			Yours
NET SALES		100.00	
Merchandise Sales	100		
Service Contract Sales	100		
COST OF SALES		77.06	
Cost of Merchandise	78.57		
Cost of Service Contract Sales	25.84		
GROSS MARGIN		22.94	
TOTAL OPERATING COSTS		22.04	
Owner and Manager Salaries	1.91		
Office Salaries	1.23		
Sales Salaries	4.95		
Delivery Wages	1.46		
Other Payroll	.55		
Employee Benefits	.10		
Payroll Taxes	.92		
Insurance - Group Life & Health	.33		
Insurance - Property & Liability	.50		
Rent or Building Depreciation	2.21		
Utilities	.39		
Telephone	.25		
Yellow Page Advertising	.08		
Other Advertising & Promotion	4.31		
Vehicle lease and/or expense	.58		
Equipment lease and/or expense	.15		
Depreciation	.55		
Licenses & Taxes	.13		
Supplies	.51		
Professional Fees	.18		
Travel & Training Expense	.22		
Miscellaneous Expense	.53		
NET OPERATING PROFIT		.90	
OTHER INCOME		.68	
Interest Income	.10		
Supplier Rebates	.41		
Other	.17		
TOTAL INCOME		1.58	
OTHER EXPENSE		1.11	
Interest Paid	.91		
Other	.20		
TOTAL NET PROFIT BEFORE INCOME TAXES		.47	
TOTAL FEDERAL & STATE INCOME TAXES	.12		
NET INCOME		.35	

APPLIANCE-ELECTRONICS SALES ONLY
AVERAGE ALL VOLUMES

SALES TRANSACTIONS

Total annual sales, compared to 1986, were up 26.6%

Of the dealers reporting types of sales transactions, these were the average percentage of transactions involving:

Cash	56.0
Bank Credit Cards	15.3
Outside Financing	22.2
In-house Financing	06.5

PERSONNEL

The average percent of total employees in each category was:

	Full time	*Part time*
Owners/managers	14.9	00.0
Sales Personnel	33.7	03.4
Office Personnel	16.0	04.1
Delivery Personnel	15.6	03.0
Other	08.0	01.3

Total annual sales per employee averaged $158,784

EMPLOYEE COMPENSATION

Percent of dealers paying their salespeople:

Salary Only	07.4
Commission Only	40.7
Salary & Commission	51.9
Other	00.0

For those paying salary and commission,

66.2% was salary-
33.8% was commission

The average annual sales per salesperson was $428,477

ADVERTISING EXPENDITURES

Of the dealers providing a report on how their advertising dollars were spent, the average percentage of ad budget was used for:

Newspaper	58.9
Television	09.0
Radio	16.3
Yellow Pages	08.0
Direct Mail	07.0
Other	00.8

SPACE ALLOCATION

Average square feet per location used for:

Sales & Display	4356
Office	547
Warehouse	3899

Average number of locations was 2.0

The average annual sales per square foot of total space was $187

The average annual sales per square foot of selling space was $391

MISCELLANEOUS

Percentage of dealers in this category selling service contracts was 96.2%

Of those dealers selling service contracts, 26.9% *were self-funded programs.*

Percentage of dealers in this category using in store computers was 66.6%

Percentage of dealers in this category using an outside data processing service was 07.4%

Percentage of dealers in this category belonging to a buying group or cooperative was 88.8%

RATIOS

Annual inventory turns on merchandise averaged 4.3

Average current ratio was 1.3 to 1

Average quick assets ratio was 0.4 to 1

Average number of working capital turns was 16.6

Average net return on investment was 17.7%

APPLIANCE - ELECTRONICS SALES ONLY
AVERAGE ALL VOLUMES

			Yours
NET SALES		100.00	
Merchandise Sales	100		
Service Contract Sales	100		
COST OF SALES		76.85	
Cost of Merchandise	78.16		
Cost of Service Contract Sales	27.11		
GROSS MARGIN		23.15	
TOTAL OPERATING COSTS		22.35	
Owner and Manager Salaries	2.61		
Office Salaries	1.30		
Sales Salaries	4.65		
Delivery Wages	1.30		
Other Payroll	.60		
Employee Benefits	.21		
Payroll Taxes	.87		
Insurance - Group Life & Health	.40		
Insurance - Property & Liability	.57		
Rent or Building Depreciation	2.15		
Utilities	.45		
Telephone	.29		
Yellow Page Advertising	.16		
Other Advertising & Promotion	3.63		
Vehicle lease and/or expense	.56		
Equipment lease and/or expense	.14		
Depreciation	.66		
Licenses & Taxes	.20		
Supplies	.59		
Professional Fees	.28		
Travel & Training Expense	.26		
Miscellaneous Expense	.47		
NET OPERATING PROFIT		.80	
OTHER INCOME		1.62	
Interest Income	.68		
Supplier Rebates	.40		
Other	.54		
TOTAL INCOME		2.42	
OTHER EXPENSE		1.19	
Interest Paid	.92		
Other	.27		
TOTAL NET PROFIT BEFORE INCOME TAXES		1.23	
TOTAL FEDERAL & STATE INCOME TAXES	.27		
NET INCOME		.96	

APPLIANCE SALES & SERVICE
VOLUME UNDER $1 MILLION

SALES TRANSACTIONS

Total annual sales, compared to 1986, were up 31.7%

Of the dealers reporting types of sales transactions, these were the average percentage of transactions involving:

Cash	78.3
Bank Credit Cards	05.3
Outside Financing	09.1
In-house Financing	07.2

PERSONNEL

The average percent of total employees in each category was:

	Full time	*Part time*
Owners/managers	13.4	00.9
Sales Personnel	08.1	03.5
Service Technicians	20.5	00.9
Office Personnel	11.6	00.9
Delivery Personnel	09.8	03.5
Other	24.1	03.5

Total annual sales per employee averaged $45,240

EMPLOYEE COMPENSATION

Percent of dealers paying their salespeople:

Salary Only	36.3
Commission Only	09.0
Salary & Commission	54.5
Other	00.0

For those paying salary and commission,

75.2% was salary
24.8% was commission

The average annual sales per salesperson was $389,758

Percent of dealers paying their technicians:

Salary Only	45.4
Commission Only	18.1
Salary & Commission	36.3
Other	00.0

For those paying salary and commission,

68.8 % was salary
31.3% was commission

The average hourly technician wage was $8.47

ADVERTISING EXPENDITURES

Of the dealers providing a report on how their advertising dollars were spent, the average percentage of ad budget was used for:

Newspaper	39.0
Television	00.3
Radio	18.9
Yellow Pages	28.7
Direct Mail	12.4
Other	00.7

SPACE ALLOCATION

Average square feet per location used for:

Sales & Display	2566
Office	468
Service	1502
Warehouse	2722

Average number of locations was 1.1

The average annual sales per square foot of total space was $63

The average annual sales per square foot of selling space was $179

MISCELLANEOUS

Percentage of dealers in this category selling service contracts was 36.3%

Of those dealers selling service contracts, 00.0% *were self-funded programs.*

Percentage of dealers in this category using in store computers was 27.2%

Percentage of dealers in this category using an outside data processing service was 27.2%

Percentage of dealers in this category belonging to a buying group or cooperative was 27.2%

RATIOS

Annual inventory turns on merchandise averaged 4.0

Annual inventory turns on parts averaged 4.0

Average current ratio was 1.8 to 1

Average quick assets ratio was 0.43 to 1

Average number of working capital turns was 8.3

Average net return on investment was 14.0%

APPLIANCE SALES & SERVICE
UNDER $1 MILLION

			Yours
NET SALES		100.00	
Merchandise Sales	100		
Labor Sales	100		
Parts Sales	100		
COST OF SALES		72.14	
Cost of Merchandise	76.40		
Cost of Labor	63.62		
Cost of Parts	63.51		
GROSS MARGIN		27.86	
TOTAL OPERATING COSTS		25.65	
Owner and Manager Salaries	4.35		
Office Salaries	1.36		
Sales Salaries	2.26		
Delivery Wages	1.91		
Other Payroll	.42		
Employee Benefits	.24		
Payroll Taxes	1.64		
Insurance - Group Life & Health	1.01		
Insurance - Property & Liability	1.19		
Rent or Building Depreciation	2.22		
Utilities	.73		
Telephone	.49		
Yellow Page Advertising	.76		
Other Advertising & Promotion	1.49		
Vehicle lease and/or expense	1.39		
Equipment lease and/or expense	.09		
Depreciation	1.35		
Licenses & Taxes	.70		
Supplies	1.00		
Professional Fees	.36		
Travel & Training Expense	.17		
Miscellaneous Expense	.52		
NET OPERATING PROFIT		2.21	
OTHER INCOME		1.40	
Interest Income	.14		
Supplier Rebates	.47		
Other	.79		
TOTAL INCOME		3.61	
OTHER EXPENSE		1.66	
Interest Paid	1.52		
Other	.14		
TOTAL NET PROFIT BEFORE INCOME TAXES		1.95	
TOTAL FEDERAL & STATE INCOME TAXES	.23		
NET INCOME		1.72	

APPLIANCE SALES & SERVICE
VOLUME OVER $1 MILLION

SALES TRANSACTIONS

Total annual sales, compared to 1986, were up 14.2%

Of the dealers reporting types of sales transactions, these were the average percentage of transactions involving:

Cash	53.3
Bank Credit Cards	16.0
Outside Financing	24.3
In-house Financing	06.4

PERSONNEL

The average percent of total employees in each category was:

	Full time	*Part time*
Owners/managers	13.3	00.0
Sales Personnel	18.0	01.4
Service Technicians	23.7	00.9
Office Personnel	11.8	02.9
Delivery Personnel	13.8	03.8
Other	07.6	02.8

Total annual sales per employee averaged $101,429

EMPLOYEE COMPENSATION

Percent of dealers paying their salespeople:

Salary Only	18.1
Commission Only	27.2
Salary & Commission	45.4
Other	09.0

For those paying salary and commission,

71.0 % was salary
29.0% was commission

The average annual sales per salesperson was $521,989

Percent of dealers paying their technicians:

Salary Only	41.6
Commission Only	25.0
Salary & Commission	33.3
Other	00.0

For those paying salary and commission,

82.7 % was salary
17.3% was commission

The average hourly technician wage was $10.26

ADVERTISING EXPENDITURES

Of the dealers providing a report on how their advertising dollars were spent, the average percentage of ad budget was used for:

Newspaper	59.6
Television	16.0
Radio	11.0
Yellow Pages	11.5
Direct Mail	01.7
Other	00.0

SPACE ALLOCATION

Average square feet per location used for:

Sales & Display	2734
Office	475
Service	1322
Warehouse	3161

Average number of locations was 1.5

The average annual sales per square foot of total space was $170

The average annual sales per square foot of selling space was $481

MISCELLANEOUS

Percentage of dealers in this category selling service contracts was 60.0%

Of those dealers selling service contracts, 50.0% *were self-funded programs.*

Percentage of dealers in this category using in store computers was 63.6%

Percentage of dealers in this category using an outside data processing service was 09.0%

Percentage of dealers in this category belonging to a buying group or cooperative was 60.0%

RATIOS

Annual inventory turns on merchandise averaged 4.1

Annual inventory turns on parts averaged 1.3

Average current ratio was 1.2 to 1

Average quick assets ratio was 0.2 to 1

Average number of working capital turns was 32.5

Average net return on investment was 07.2%

APPLIANCE SALES & SERVICE
OVER $1 MILLION

			Yours
NET SALES		100.00	
Merchandise Sales	100		
Labor Sales	100		
Parts Sales	100		
Service Contract Sales	100		
COST OF SALES		72.10	
Cost of Merchandise	76.40		
Cost of Labor	48.03		
Cost of Parts	61.39		
Cost of Service Contract Sales	12.39		
GROSS MARGIN		27.90	
TOTAL OPERATING COSTS		26.96	
Owner and Manager Salaries	3.18		
Office Salaries	1.98		
Sales Salaries	3.32		
Delivery Wages	1.96		
Other Payroll	1.94		
Employee Benefits	.19		
Payroll Taxes	1.54		
Insurance - Group Life & Health	.77		
Insurance - Property & Liability	1.10		
Rent or Building Depreciation	2.54		
Utilities	.76		
Telephone	.30		
Yellow Page Advertising	.32		
Other Advertising & Promotion	2.87		
Vehicle lease and/or expense	.82		
Equipment lease and/or expense	.04		
Depreciation	1.22		
Licenses & Taxes	.22		
Supplies	.68		
Professional Fees	.34		
Travel & Training Expense	.15		
Miscellaneous Expense	.72		
NET OPERATING PROFIT		.94	
OTHER INCOME		.64	
Interest Income	.17		
Supplier Rebates	.40		
Other	.07		
TOTAL INCOME		1.58	
OTHER EXPENSE		1.11	
Interest Paid	1.00		
Other	.11		
TOTAL NET PROFIT BEFORE INCOME TAXES		.47	
TOTAL FEDERAL & STATE INCOME TAXES	.03		
NET INCOME		.44	

APPLIANCE SALES & SERVICE
AVERAGE ALL VOLUMES

SALES TRANSACTIONS

Total annual sales, compared to 1986, were up 18.5%

Of the dealers reporting types of sales transactions, these were the average percentage of transactions involving:

Cash	65.1
Bank Credit Cards	10.9
Outside Financing	17.1
In-house Financing	06.7

PERSONNEL

The average percent of total employees in each category was:

	Full time	*Part time*
Owners/managers	13.3	00.0
Sales Personnel	14.6	02.8
Service Technicians	22.6	01.0
Office Personnel	11.8	02.2
Delivery Personnel	12.4	03.7
Other	12.8	02.8

Total annual sales per employee averaged $81,946

EMPLOYEE COMPENSATION

Percent of dealers paying their salespeople:

Salary Only	27.2
Commission Only	18.1
Salary & Commission	50.0
Other	04.5

For those paying salary and commission,

73.1 % was salary
26.9% was commission

The average annual sales per salesperson was $490,156

Percent of dealers paying their technicians:

Salary Only	43.4
Commission Only	21.7
Salary & Commission	34.7
Other	00.0

For those paying salary and commission,

74.7 % was salary
25.3% was commission

The average hourly technician wage was $9.77

ADVERTISING EXPENDITURES

Of the dealers providing a report on how their advertising dollars were spent, the average percentage of ad budget was used for:

Newspaper	48.7
Television	07.7
Radio	15.1
Yellow Pages	20.5
Direct Mail	07.3
Other	00.7

SPACE ALLOCATION

Average square feet per location used for:

Sales & Display	2640
Office	468
Service	1392
Warehouse	2943

Average number of locations was 1.3

The average annual sales per square foot of total space was $128

The average annual sales per square foot of selling space was $361

MISCELLANEOUS

Percentage of dealers in this category selling service contracts was 47.6%

Of those dealers selling service contracts, 30.0% *were self-funded programs.*

Percentage of dealers in this category using in store computers was 45.4%

Percentage of dealers in this category using an outside data processing service was 18.1%

Percentage of dealers in this category belonging to a buying group or cooperative was 42.8%

RATIOS

Annual inventory turns on merchandise averaged 4.0

Annual inventory turns on parts averaged 1.6

Average current ratio was 1.3 to 1

Average quick assets ratio was 0.23 to 1

Average number of working capital turns was 21

Average net return on investment was 09.8%

APPLIANCE SALES & SERVICE
AVERAGE ALL VOLUMES

			Yours
NET SALES		100.00	
Merchandise Sales	100		
Labor Sales	100		
Parts Sales	100		
Service Contract Sales	100		
COST OF SALES		72.12	
Cost of Merchandise	76.40		
Cost of Labor	52.08		
Cost of Parts	62.45		
Cost of Service Contract Sales	13.91		
GROSS MARGIN		27.88	
TOTAL OPERATING COSTS		26.68	
Owner and Manager Salaries	3.43		
Office Salaries	2.04		
Sales Salaries	2.90		
Delivery Wages	1.95		
Other Payroll	1.62		
Employee Benefits	.20		
Payroll Taxes	1.56		
Insurance - Group Life & Health	.82		
Insurance - Property & Liability	1.12		
Rent or Building Depreciation	2.47		
Utilities	.75		
Telephone	.34		
Yellow Page Advertising	.41		
Other Advertising & Promotion	2.58		
Vehicle lease and/or expense	.94		
Equipment lease and/or expense	.05		
Depreciation	1.25		
Licenses & Taxes	.32		
Supplies	.75		
Professional Fees	.34		
Travel & Training Expense	.16		
Miscellaneous Expense	.68		
NET OPERATING PROFIT		1.20	
OTHER INCOME		.79	
Interest Income	.16		
Supplier Rebates	.41		
Other	.22		
TOTAL INCOME		1.99	
OTHER EXPENSE		1.23	
Interest Paid	1.11		
Other	.12		
TOTAL NET PROFIT BEFORE INCOME TAXES		.76	
TOTAL FEDERAL & STATE INCOME TAXES	.07		
NET INCOME		.69	

APPLIANCE SALES ONLY
AVERAGE ALL VOLUMES

SALES TRANSACTIONS

Total annual sales, compared to 1986, were up 5.7%

Of the dealers reporting types of sales transactions, these were the average percentage of transactions involving:

Cash	67.5
Bank Credit Cards	09.0
Outside Financing	13.7
In-house Financing	09.7

PERSONNEL

The average percent of total employees in each category was:

	Full time	*Part time*
Owners/managers	17.2	01.6
Sales Personnel	20.5	05.0
Office Personnel	13.1	05.0
Delivery Personnel	21.3	03.2
Other	11.6	01.5

Total annual sales per employee averaged $167,849

EMPLOYEE COMPENSATION

Percent of dealers paying their salespeople:

Salary Only	58.3
Commission Only	16.6
Salary & Commission	25.0
Other	00.0

For those paying salary and commission,

78.3 % was salary
21.7% was commission

The average annual sales per salesperson was $660,568

ADVERTISING EXPENDITURES

Of the dealers providing a report on how their advertising dollars were spent, the average percentage of ad budget was used for:

Newspaper	63.1
Television	05.7
Radio	16.9
Yellow Pages	10.0
Direct Mail	01.0
Other	03.6

SPACE ALLOCATION

Average square feet per location used for:

Sales & Display	5830
Office	907
Warehouse	5625

Average number of locations was: 1.0

The average annual sales per square foot of total space was $155

The average annual sales per square foot of selling space was $336

MISCELLANEOUS

Percentage of dealers in this category selling service contracts was 91.0%

Of those dealers selling service contracts, 20.0% *were self-funded programs.*

Percentage of dealers in this category using in store computers was 45.4%

Percentage of dealers in this category using an outside data processing service was 0.00%

Percentage of dealers in this category belonging to a buying group or cooperative was 45.4%

RATIOS

Annual inventory turns on merchandise averaged 5.23

Average current ratio was 1.9 to 1

Average quick assets ratio was .55 to 1

Average number of working capital turns was 7.9

Average net return on investment was 25.2%

APPLIANCE SALES ONLY
AVERAGE ALL VOLUMES

			Yours
NET SALES		100.00	
Merchandise Sales	100		
Service Contract Sales	100		
COST OF SALES		78.11	
Cost of Merchandise	79.00		
Cost of Service Contract Sales	51.62		
GROSS MARGIN		21.89	
TOTAL OPERATING COSTS		19.80	
Owner and Manager Salaries	2.01		
Office Salaries	1.43		
Sales Salaries	3.96		
Delivery Wages	1.37		
Other Payroll	1.44		
Employee Benefits	.11		
Payroll Taxes	.86		
Insurance - Group Life & Health	.45		
Insurance - Property & Liability	.65		
Rent or Building Depreciation	1.80		
Utilities	.51		
Telephone	.35		
Yellow Page Advertising	.20		
Other Advertising & Promotion	1.90		
Vehicle lease and/or expense	.75		
Equipment lease and/or expense	.14		
Depreciation	.37		
Licenses & Taxes	.20		
Supplies	.42		
Professional Fees	.25		
Travel & Training Expense	.12		
Miscellaneous Expense	.51		
NET OPERATING PROFIT		2.09	
OTHER INCOME		1.10	
Interest Income	.21		
Supplier Rebates	.53		
Other	.36		
TOTAL INCOME		3.19	
OTHER EXPENSE		.61	
Interest Paid	.44		
Other	.17		
TOTAL NET PROFIT BEFORE INCOME TAXES		2.58	
TOTAL FEDERAL & STATE INCOME TAXES	1.52		
NET INCOME		1.06	

ELECTRONICS SALES & SERVICE
VOLUME UNDER $1 MILLION

SALES TRANSACTIONS

Total annual sales, compared to 1986, were down 3.3%

Of the dealers reporting types of sales transactions, these were the average percentage of transactions involving:

Cash	77.8
Bank Credit Cards	11.7
Outside Financing	08.3
In-house Financing	02.0

PERSONNEL

The average percent of total employees in each category was:

	Full time	*Part time*
Owners/managers	24.2	00.0
Sales Personnel	15.8	03.2
Service Technicians	30.5	05.2
Office Personnel	06.3	04.3
Delivery Personnel	02.1	08.4
Other	00.0	00.0

Total annual sales per employee averaged $66,227

EMPLOYEE COMPENSATION

Percent of dealers paying their salespeople:

Salary Only	53.3
Commission Only	00.0
Salary & Commission	40.0
Other	06.6

For those paying salary and commission,

81.2 % was salary
18.8% was commission

The average annual sales per salesperson was $349,532

Percent of dealers paying their technicians:

Salary Only	73.3
Commission Only	00.0
Salary & Commission	20.0
Other	06.6

For those paying salary and commission,

86.0 % was salary
14.0% was commission

The average hourly technician wage was $8.10

ADVERTISING EXPENDITURES

Of the dealers providing a report on how their advertising dollars were spent, the average percentage of ad budget was used for:

Newspaper	49.7
Television	02.5
Radio	11.5
Yellow Pages	29.5
Direct Mail	02.5
Other	01.3

SPACE ALLOCATION

Average square feet per location used for

Sales & Display	1664
Office	289
Service	1005
Warehouse	1041

Average number of locations was 1.0

The average annual sales per square foot of total space was $108

The average annual sales per square foot of selling space was $260

MISCELLANEOUS

Percentage of dealers in this category selling service contracts was 73.3%

Of those dealers selling service contracts, 09.0% *were self-funded programs.*

Percentage of dealers in this category using in store computers was 53.3%

Percentage of dealers in this category using an outside data processing service was 20.0%

Percentage of dealers in this category belonging to a buying group or cooperative was 20.0%

RATIOS

Annual inventory turns on merchandise averaged 3.2

Annual inventory turns on parts averaged 0.9

Average current ratio was 2 to 1

Average quick assets ratio was 0.54 to 1

Average number of working capital turns was: 8.5

Average net return on investment was 20.2%

ELECTRONICS SALES & SERVICE
UNDER $1 MILLION

			Yours
NET SALES		100.00	
Merchandise Sales	100		
Labor Sales	100		
Parts Sales	100		
Service Contract Sales	100		
COST OF SALES		70.11	
Cost of Merchandise	75.58		
Cost of Labor	55.35		
Cost of Parts	58.83		
Cost of Service Contract Sales	25.40		
GROSS MARGIN		29.89	
TOTAL OPERATING COSTS		26.32	
Owner and Manager Salaries	4.68		
Office Salaries	1.81		
Sales Salaries	2.66		
Delivery Wages	.23		
Other Payroll	1.61		
Employee Benefits	.25		
Payroll Taxes	1.35		
Insurance - Group Life & Health	.83		
Insurance - Property & Liability	1.11		
Rent or Building Depreciation	2.47		
Utilities	.95		
Telephone	.76		
Yellow Page Advertising	.68		
Other Advertising & Promotion	1.78		
Vehicle lease and/or expense	.90		
Equipment lease and/or expense	.27		
Depreciation	1.11		
Licenses & Taxes	.63		
Supplies	.74		
Professional Fees	.53		
Travel & Training Expense	.16		
Miscellaneous Expense	.81		
NET OPERATING PROFIT		3.57	
OTHER INCOME		.22	
Interest Income	.10		
Supplier Rebates	.09		
Other	.03		
TOTAL INCOME		3.79	
OTHER EXPENSE		1.72	
Interest Paid	1.65		
Other	.07		
TOTAL NET PROFIT BEFORE INCOME TAXES		2.07	
TOTAL FEDERAL & STATE INCOME TAXES	.41		
NET INCOME		1.66	

ELECTRONICS SALES & SERVICE
VOLUME $1-3 MILLION

SALES TRANSACTIONS

Total annual sales, compared to 1986, were up 8.8%

Of the dealers reporting types of sales transactions, these were the average percentage of transactions involving:

Cash	67.7
Bank Credit Cards	23.4
Outside Financing	05.7
In-house Financing	3.1

PERSONNEL

The average percent of total employees in each category was:

	Full time	*Part time*
Owners/managers	13.7	00.8
Sales Personnel	28.3	03.2
Service Technicians	24.2	02.5
Office Personnel	15.4	03.2
Delivery Personnel	03.2	00.8
Other	04.1	00.6

Total annual sales per employee averaged $106,990

EMPLOYEE COMPENSATION

Percent of dealers paying their salespeople:

Salary Only	00.0
Commission Only	37.5
Salary & Commission	62.5
Other	00.0

For those paying salary and commission,

52.5 % was salary
47.5% was commission

The average annual sales per salesperson was $340,173

Percent of dealers paying their technicians:

Salary Only	57.1
Commission Only	14.2
Salary & Commission	28.5
Other	00.0

For those paying salary and commission,

25.0% was salary
75.0% was commission

The average hourly technician wage was $10.26

ADVERTISING EXPENDITURES

Of the dealers providing a report on how their advertising dollars were spent, the average percentage of ad budget was used for:

Newspaper	66.8
Television	03.7
Radio	11.6
Yellow Pages	09.6
Direct Mail	07.0
Other	01.1

SPACE ALLOCATION

Average square feet per location used for:

Sales & Display	2032
Office	424
Service	804
Warehouse	1047

Average number of locations was 1.8

The average annual sales per square foot of total space was $214

The average annual sales per square foot of selling space was $453

MISCELLANEOUS

Percentage of dealers in this category selling service contracts was 100.0%

Of those dealers selling service contracts, 37.5% *were self-funded programs.*

Percentage of dealers in this category using in store computers was 75.0%

Percentage of dealers in this category belonging to a buying group or cooperative was 62.5%

RATIOS

Annual inventory turns on merchandise averaged 3.4

Annual inventory turns on parts averaged 1.7

Average current ratio was 1.7 to 1

Average quick assets ratio was .49 to 1

Average number of working capital turns was: 8.8

Average net return on investment was 20.0%

ELECTRONICS SALES & SERVICE
$1-3 MILLION

			Yours
NET SALES		100.00	
Merchandise Sales	100		
Labor Sales	100		
Parts Sales	100		
COST OF SALES		66.96	
Cost of Merchandise	70.03		
Cost of Labor	56.68		
Cost of Parts	71.57		
GROSS MARGIN		33.04	
TOTAL OPERATING COSTS		30.52	
Owner and Manager Salaries	4.66		
Office Salaries	2.72		
Sales Salaries	6.09		
Delivery Wages	1.92		
Other Payroll	.59		
Employee Benefits	.48		
Payroll Taxes	1.71		
Insurance - Group Life & Health	.40		
Insurance - Property & Liability	.94		
Rent or Building Depreciation	2.99		
Utilities	.72		
Telephone	.52		
Yellow Page Advertising	.34		
Other Advertising & Promotion	1.80		
Vehicle lease and/or expense	.42		
Equipment lease and/or expense	.27		
Depreciation	1.00		
Licenses & Taxes	.31		
Supplies	.67		
Professional Fees	.33		
Travel & Training Expense	1.10		
Miscellaneous Expense	.54		
NET OPERATING PROFIT		2.52	
OTHER INCOME		1.57	
Interest Income	.06		
Supplier Rebates	.97		
Other	.54		
TOTAL INCOME		4.09	
OTHER EXPENSE		1.54	
Interest Paid	1.23		
Other	.31		
TOTAL NET PROFIT BEFORE INCOME TAXES		2.55	
TOTAL FEDERAL & STATE INCOME TAXES	.26		
NET INCOME		2.29	

ELECTRONICS SALES & SERVICE VOLUME OVER $3 MILLION

SALES TRANSACTIONS

Total annual sales, compared to 1986, were up 21.6%

Of the dealers reporting types of sales transactions, these were the average percentage of transactions involving:

Cash	57.5
Bank Credit Cards	14.0
Outside Financing	16.3
In-house Financing	12.1

PERSONNEL

The average percent of total employees in each category was:

	Full time	*Part time*
Owners/managers	13.5	00.0
Sales Personnel	33.7	02.2
Service Technicians	23.6	00.0
Office Personnel	12.4	00.0
Delivery Personnel	12.4	00.0
Other	00.0	02.2

Total annual sales per employee averaged $209,557

EMPLOYEE COMPENSATION

Percent of dealers paying their salespeople:

Salary Only	00.0
Commission Only	40.0
Salary & Commission	40.0
Other	20.0

For those paying salary and commission,

77.5 % was salary
22.5% was commission

The average annual sales per salesperson was $562,830

Percent of dealers paying their technicians:

Salary Only	75.0
Commission Only	00.0
Salary & Commission	25.0
Other	00.0

The average hourly technician wage was $11.92

ADVERTISING EXPENDITURES

Of the dealers providing a report on how their advertising dollars were spent, the average percentage of ad budget was used for:

Newspaper	57.1
Television	10.2
Radio	06.5
Yellow Pages	06.6
Direct Mail	17.0
Other	02.5

SPACE ALLOCATION

Average square feet per location used for:

Sales & Display	3682
Office	250
Service	739
Warehouse	1693

Average number of locations was 2.2

The average annual sales per square foot of total space was $333

The average annual sales per square foot of selling space was $576

MISCELLANEOUS

Percentage of dealers in this category selling service contracts was 100%

Of those dealers selling service contracts, 50.0% *were self-funded programs.*

Percentage of dealers in this category using in store computers was 75.0%

Percentage of dealers in this category using an outside data processing service was 0.00%

Percentage of dealers in this category belonging to a buying group or cooperative was 75.0%

RATIOS

Annual inventory turns on merchandise averaged 3.6

Annual inventory turns on parts averaged 1.7

Average current ratio was 1.8 to 1

Average quick assets ratio was .74 to 1

Average number of working capital turns was 7.8

Average net return on investment was 12.5%

ELECTRONICS SALES & SERVICE
OVER $3 MILLION

			Yours
NET SALES		100.00	
Merchandise Sales	100		
Labor Sales	100		
Parts Sales	100		
Service Contract Sales	100		
COST OF SALES		76.98	
Cost of Merchandise	80.00		
Cost of Labor	70.50		
Cost of Parts	47.85		
Cost of Service Contract Sales	64.22		
GROSS MARGIN		23.02	
TOTAL OPERATING COSTS		21.60	
Owner and Manager Salaries	2.78		
Office Salaries	1.07		
Sales Salaries	3.84		
Delivery Wages	.90		
Other Payroll	.09		
Employee Benefits	.13		
Payroll Taxes	.75		
Insurance - Group Life & Health	.19		
Insurance - Property & Liability	.78		
Rent or Building Depreciation	1.66		
Utilities	.46		
Telephone	.15		
Yellow Page Advertising	.09		
Other Advertising & Promotion	3.99		
Vehicle lease and/or expense	.71		
Equipment lease and/or expense	.16		
Depreciation	.55		
Licenses & Taxes	.15		
Supplies	1.47		
Professional Fees	.40		
Travel & Training Expense	.15		
Miscellaneous Expense	1.13		
NET OPERATING PROFIT		1.42	
OTHER INCOME		.78	
Interest Income	.58		
Supplier Rebates	.15		
Other	.05		
TOTAL INCOME		2.20	
OTHER EXPENSE		.71	
Interest Paid	.54		
Other	.17		
TOTAL NET PROFIT BEFORE INCOME TAXES		1.49	
TOTAL FEDERAL & STATE INCOME TAXES	.28		
NET INCOME		1.21	

ELECTRONICS SALES & SERVICE
AVERAGE ALL VOLUMES

SALES TRANSACTIONS

Total annual sales, compared to 1986, were up 13.7%

Of the dealers reporting types of sales transactions, these were the average percentage of transactions involving:

Cash	72.0
Bank Credit Cards	15.2
Outside Financing	08.8
In-house Financing	03.9

PERSONNEL

The average percent of total employees in each category was:

	Full time	*Part time*
Owners/managers	16.9	00.4
Sales Personnel	25.9	02.9
Service Technicians	25.9	02.6
Office Personnel	11.7	02.6
Delivery Personnel	05.5	02.9
Other	01.7	01.0

Total annual sales per employee averaged $124,055

EMPLOYEE COMPENSATION

Percent of dealers paying their salespeople:

Salary Only	28.5
Commission Only	17.8
Salary & Commission	46.4
Other	07.1

For those paying salary and commission,

70.1% was salary
29.9% was commission

The average annual sales per salesperson was $429,313

Percent of dealers paying their technicians:

Salary Only	69.2
Commission Only	03.8
Salary & Commission	23.0
Other	03.8

For those paying salary and commission,

65.7 % was salary
34.3% was commission

The average hourly technician wage was $9.73

ADVERTISING EXPENDITURES

Of the dealers providing a report on how their advertising dollars were spent, the average percentage of ad budget was used for:

Newspaper	56.1
Television	04.0
Radio	10.8
Yellow Pages	19.8
Direct Mail	07.5
Other	01.8

SPACE ALLOCATION

Average square feet per location used for:

Sales & Display	2334
Office	339
Service	883
Warehouse	1224

Average number of locations was 1.4

The average annual sales per square foot of total space was $218

The average annual sales per square foot of selling space was $447

MISCELLANEOUS

Percentage of dealers in this category selling service contracts was 85.1%

Of those dealers selling service contracts, 26.0% *were self-funded programs.*

Percentage of dealers in this category using in store computers was 62.9%

Percentage of dealers in this category using an outside data processing service was 14.8%

Percentage of dealers in this category belonging to a buying group or cooperative was 40.7%

RATIOS

Annual inventory turns on merchandise averaged 3.47

Annual inventory turns on parts averaged 1.35

Average current ratio was 1.8 to 1

Average quick assets ratio was 0.62 to 1

Average number of working capital turns was12.1

Average net return on investment was 16.4%

ELECTRONICS SALES & SERVICE
AVERAGE ALL VOLUMES

			Yours
NET SALES		100.00	
Merchandise Sales	100		
Labor Sales	100		
Parts Sales	100		
Service Contract Sales	100		
COST OF SALES		72.37	
Cost of Merchandise	76.00		
Cost of Labor	59.91		
Cost of Parts	58.69		
Cost of Service Contract Sales	24.99		
GROSS MARGIN		27.63	
TOTAL OPERATING COSTS		25.47	
Owner and Manager Salaries	3.75		
Office Salaries	1.76		
Sales Salaries	4.43		
Delivery Wages	1.14		
Other Payroll	.51		
Employee Benefits	.27		
Payroll Taxes	1.19		
Insurance - Group Life & Health	.37		
Insurance - Property & Liability	.89		
Rent or Building Depreciation	2.25		
Utilities	.63		
Telephone	.38		
Yellow Page Advertising	.28		
Other Advertising & Promotion	2.87		
Vehicle lease and/or expense	.64		
Equipment lease and/or expense	.21		
Depreciation	.80		
Licenses & Taxes	.28		
Supplies	1.07		
Professional Fees	.40		
Travel & Training Expense	.48		
Miscellaneous Expense	.87		
NET OPERATING PROFIT		2.16	
OTHER INCOME		.96	
Interest Income	.32		
Supplier Rebates	.43		
Other	.21		
TOTAL INCOME		3.12	
OTHER EXPENSE		1.16	
Interest Paid	.96		
Other	.20		
TOTAL NET PROFIT BEFORE INCOME TAXES		1.96	
TOTAL FEDERAL & STATE INCOME TAXES	.29		
NET INCOME		1.67	

ELECTRONICS SALES ONLY
VOLUME UNDER $1 MILLION

SALES TRANSACTIONS

Total annual sales, compared to 1986, were up 15.3%

Of the dealers reporting types of sales transactions, these were the average percentage of transactions involving:

Cash	73.7
Bank Credit Cards	21.2
Outside Financing	05.0
In-house Financing	00.0

PERSONNEL

The average percent of total employees in each category was:

	Full time	*Part time*
Owners/managers	11.1	02.8
Sales Personnel	32.2	08.3
Office Personnel	02.8	15.6
Delivery Personnel	00.0	00.0
Other	02.8	24.4

Total annual sales per employee averaged $47,201

EMPLOYEE COMPENSATION

Percent of dealers paying their salespeople:

Salary Only	00.0
Commission Only	00.0
Salary & Commission	100.0
Other	00.0

For those paying salary and commission,

85.0 % was salary
15.0% was commission

The average annual sales per salesperson was $154,475

ADVERTISING EXPENDITURES

Of the dealers providing a report on how their advertising dollars were spent, the average percentage of ad budget was used for:

Newspaper	63.5
Television	00.0
Radio	18.7
Yellow Pages	09.0
Direct Mail	08.7
Other	00.0

SPACE ALLOCATION

Average square feet per location used for:

Sales & Display	1900
Office	371
Warehouse	529

Average number of locations was 1.2

The average annual sales per square foot of total space was $114

The average annual sales per square foot of selling space was $186

MISCELLANEOUS

Percentage of dealers in this category selling service contracts was 40.0%

Of those dealers selling service contracts, 0.0% *were self-funded programs.*

Percentage of dealers in this category using in store computers was 60.0%

Percentage of dealers in this category using an outside data processing service was 20.0%

Percentage of dealers in this category belonging to a buying group or cooperative was 60.0%

RATIOS

Average current ratio was 02.8 to 1

Average quick assets ratio was 1 to 1

Average number of working capital turns was6 .7

Average net return on investment was 28.8%

ELECTRONICS SALES ONLY
UNDER $1 MILLION

			Yours
NET SALES		100.00	
COST OF SALES		65.17	
GROSS MARGIN		34.83	
TOTAL OPERATING COSTS		29.52	
Owner and Manager Salaries	5.52		
Office Salaries	.47		
Sales Salaries	6.05		
Delivery Wages	.00		
Other Payroll	2.00		
Employee Benefits	.39		
Payroll Taxes	1.10		
Insurance - Group Life & Health	.36		
Insurance - Property & Liability	1.02		
Rent or Building Depreciation	3.30		
Utilities	.77		
Telephone	.49		
Yellow Page Advertising	.27		
Other Advertising & Promotion	1.83		
Vehicle lease and/or expense	1.02		
Equipment lease and/or expense	.08		
Depreciation	.65		
Licenses & Taxes	.20		
Supplies	.88		
Professional Fees	.47		
Travel & Training Expense	.52		
Miscellaneous Expense	2.13		
NET OPERATING PROFIT		5.31	
OTHER INCOME		.06	
Interest Income	.06		
Supplier Rebates	.00		
Other	.00		
TOTAL INCOME		5.37	
OTHER EXPENSE		.82	
Interest Paid	.77		
Other	.05		
TOTAL NET PROFIT BEFORE INCOME TAXES		4.55	
TOTAL FEDERAL & STATE INCOME TAXES	.36		
NET INCOME		4.19	

ELECTROINICS SALES ONLY
VOLUME $1-3 MILLION

SALES TRANSACTIONS

Total annual sales, compared to 1986, were up 24%

Of the dealers reporting types of sales transactions, these were the average percentage of transactions involving:

Cash	51.1
Bank Credit Cards	21.1
Outside Financing	18.7
In-house Financing	09.0

PERSONNEL

The average percent of total employees in each category was:

	Full time	*Part time*
Owners/managers	11.0	00.0
Sales Personnel	40.3	08.0
Office Personnel	11.0	01.9
Delivery Personnel	02.4	03.7
Other	17.4	04.3

Total annual sales per employee averaged $110,229

EMPLOYEE COMPENSATION

Percent of dealers paying their salespeople:

Salary Only	11.1
Commission Only	22.2
Salary & Commission	66.6
Other	00.0

For those paying salary and commission,

61.7 % was salary
38.3% was commission

The average annual sales per salesperson was $261,994

ADVERTISING EXPENDITURES

Of the dealers providing a report on how their advertising dollars were spent, the average percentage of ad budget was used for:

Newspaper	57.2
Television	03.7
Radio	19.6
Yellow Pages	09.2
Direct Mail	09.1
Other	01.0

SPACE ALLOCATION

Average square feet per location used for:

Sales & Display	5781
Office	758
Warehouse	2859

Average number of locations was 1.6

The average annual sales per square foot of total space was $138

The average annual sales per square foot of selling space was $247

MISCELLANEOUS

Percentage of dealers in this category selling service contracts was 88.8%

Of those dealers selling service contracts, 62.5% *were self-funded programs.*

Percentage of dealers in this category using in store computer. was 88.8%

Percentage of dealers in this category belonging to a buying group or cooperative was 55.5%

RATIOS

Annual inventory turns on merchandise averaged 2.6

Average current ratio was 1.9 to 1

Average quick assets ratio was 0.53 to 1

Average number of working capital turns was 8.6

Average net return on investment was 6.7%

ELECTRONICS SALES ONLY
$1-3 MILLION

			Yours
NET SALES		100.00	
Merchandise Sales	100		
Service Contract Sales	100		
COST OF SALES		62.52	
Cost of Merchandise	65.00		
Cost of Service Contract Sales	33.73		
GROSS MARGIN		37.48	
TOTAL OPERATING COSTS		36.24	
Owner and Manager Salaries	4.77		
Office Salaries	1.78		
Sales Salaries	6.66		
Delivery Wages	.42		
Other Payroll	3.01		
Employee Benefits	.78		
Payroll Taxes	1.22		
Insurance - Group Life & Health	.60		
Insurance - Property & Liability	.73		
Rent or Building Depreciation	3.09		
Utilities	.69		
Telephone	.55		
Yellow Page Advertising	.27		
Other Advertising & Promotion	4.44		
Vehicle lease and/or expense	.44		
Equipment lease and/or expense	.86		
Depreciation	2.42		
Licenses & Taxes	.44		
Supplies	.93		
Professional Fees	.38		
Travel & Training Expense	.45		
Miscellaneous Expense	1.31		
NET OPERATING PROFIT		1.24	
OTHER INCOME		1.05	
Interest Income	.19		
Supplier Rebates	.25		
Other	.61		
TOTAL INCOME		2.29	
OTHER EXPENSE		1.24	
Interest Paid	.86		
Other	.38		
TOTAL NET PROFIT BEFORE INCOME TAXES		1.05	
TOTAL FEDERAL & STATE INCOME TAXES	.34		
NET INCOME		.71	

ELECTRONICS SALES ONLY
AVERAGE ALL VOLUMES

SALES TRANSACTIONS

Total annual sales, compared to 1986, were up 07.9%

Of the dealers reporting types of sales transactions, these were the average percentage of transactions involving:

Cash	57.5
Bank Credit Cards	24.4
Outside Financing	12.7
In-house Financing	05.2

PERSONNEL

The average percent of total employees in each category was:

	Full time	*Part time*
Owners/managers	11.8	00.3
Sales Personnel	37.5	09.2
Office Personnel	10.1	01.6
Delivery Personnel	02.5	01.9
Other	13.9	11.2

Total annual sales per employee averaged $113,684

EMPLOYEE COMPENSATION

Percent of dealers paying their salespeople:

Salary Only	06.2
Commission Only	12.5
Salary & Commission	81.2

For those paying salary and commission,

70.6 % was salary
29.4% was commission

The average annual sales per salesperson was $243,608

ADVERTISING EXPENDITURES

Of the dealers providing a report on how their advertising dollars were spent, the average percentage of ad budget was used for:

Newspaper	62.2
Television	02.9
Radio	18.0
Yellow Pages	08.0
Direct Mail	08.1
Other	00.8

SPACE ALLOCATION

Average square feet per location used for:

Sales & Display	4013
Office	614
Warehouse	1859

Average number of locations was 2.0

The average annual sales per square foot of total space was $185

The average annual sales per square foot of selling space was $321

MISCELLANEOUS

Percentage of dealers in this category selling service contracts was 75.0%

Of those dealers selling service contracts, 58.3% *were self-funded programs.*

Percentage of dealers in this category using in store computerswas 81.2%

Percentage of dealers in this category using an outside data processing service was 06.2%

Percentage of dealers in this category belonging to a buying group or cooperative was 56.2%

RATIOS

Annual inventory turns on merchandise averaged 2.4

Average current ratio was 1.72 to 1

Average quick assets ratio was 0.5 to 1

Average number of working capital turns was10.2

Average net return on investment was 11.8%

ELECTRONICS SALES ONLY
AVERAGE ALL VOLUMES

			Yours
NET SALES		100.00	
Merchandise Sales	100		
Service Contract Sales	100		
COST OF SALES		65.49	
Cost of Merchandise	67.37		
Cost of Service Contract Sales	31.09		
GROSS MARGIN		34.51	
TOTAL OPERATING COSTS		32.90	
Owner and Manager Salaries	3.73		
Office Salaries	1.35		
Sales Salaries	6.29		
Delivery Wages	.29		
Other Payroll	1.85		
Employee Benefits	.46		
Payroll Taxes	1.14		
Insurance - Group Life & Health	.56		
Insurance - Property & Liability	.62		
Rent or Building Depreciation	3.29		
Utilities	.80		
Telephone	.41		
Yellow Page Advertising	.23		
Other Advertising & Promotion	5.52		
Vehicle lease and/or expense	.41		
Equipment lease and/or expense	.51		
Depreciation	1.58		
Licenses & Taxes	.59		
Supplies	.65		
Professional Fees	.35		
Travel & Training Expense	.35		
Miscellaneous Expense	1.92		
NET OPERATING PROFIT		1.61	
OTHER INCOME		.79	
Interest Income	.12		
Supplier Rebates	.33		
Other	.34		
TOTAL INCOME		2.40	
OTHER EXPENSE		1.02	
Interest Paid	.71		
Other	.31		
TOTAL NET PROFIT BEFORE INCOME TAXES		1.38	
TOTAL FEDERAL & STATE INCOME TAXES	.38		
NET INCOME		1.00	

APPLIANCE-ELECTRONICS-FURNITURE SALES & SERVICE
AVERAGE ALL VOLUMES

SALES TRANSACTIONS

Total annual sales, compared to 1986, were up 05.3%

Of the dealers reporting types of sales transactions, these were the average percentage of transactions involving:

Cash	36.6
Bank Credit Cards	06.1
Outside Financing	16.8
In-house Financing	40.2

PERSONNEL

The average percent of total employees in each category was:

	Full time	*Part time*
Owners/managers	10.0	00.4
Sales Personnel	21.2	03.0
Service Technicians	13.0	00.9
Office Personnel	17.6	02.7
Delivery Personnel	14.8	03.4
Other	09.4	03.4

Total annual sales per employee averaged $97,181

EMPLOYEE COMPENSATION

Percent of dealers paying their salespeople:

Salary Only	14.2
Commission Only	21.4
Salary & Commission	64.2
Other	00.0

For those paying salary and commission,

32.8 % was salary
67.3% was commission

The average annual sales per salesperson was $401,561

Percent of dealers paying their technicians:

Salary Only	57.1
Commission Only	14.2
Salary & Commission	21.4
Other	07.1

For those paying salary and commission,

83.3% was salary
16.7% was commission

The average hourly technician wage was $9.87

ADVERTISING EXPENDITURES

Of the dealers providing a report on how their advertising dollars were spent, the average percentage of ad budget was used for:

Newspaper	55.6
Television	08.3
Radio	17.0
Yellow Pages	04.8
Direct Mail	05.7
Other	08.6

SPACE ALLOCATION

Average square feet per location used for:

Sales & Display	13,286
Office	734
Service	1,225
Warehouse	7,132

Average number of locations was 2.0

The average annual sales per square foot of total space was $60

The average annual sales per square foot of selling space was $103

MISCELLANEOUS

Percentage of dealers in this category selling service contracts was 85.7%

Of those dealers selling service contracts, 41.6% *were self-funded programs.*

Percentage of dealers in this category using in store computers was 85.7%

Percentage of dealers in this category using an outside data processing service was 14.2%

Percentage of dealers in this category belonging to a buying group or cooperative was 85.7%

RATIOS

Annual inventory turns on merchandise averaged 2.67

Annual inventory turns on parts averaged 1.06

Average current ratio was 2.1 to 1

Average quick assets ratio was 0.82 to 1

Average number of working capital turns was 5.21

Average net return on investment was 08.0%

APPLIANCE-ELECTRONICS-FURNITURE SALES & SERVICE
AVERAGE ALL VOLUMES

			Yours
NET SALES		100.00	
Merchandise Sales	100		
Labor Sales	100		
Parts Sales	100		
Service Contract Sales	100		
COST OF SALES		67.42	
Cost of Merchandise	69.98		
Cost of Labor	50.83		
Cost of Parts	57.65		
Cost of Service Contract Sales	12.50		
GROSS MARGIN		32.58	
TOTAL OPERATING COSTS		31.13	
Owner and Manager Salaries	4.10		
Office Salaries	2.19		
Sales Salaries	5.59		
Delivery Wages	1.16		
Other Payroll	1.79		
Employee Benefits	.55		
Payroll Taxes	1.49		
Insurance - Group Life & Health	.74		
Insurance - Property & Liability	.92		
Rent or Building Depreciation	2.53		
Utilities	.82		
Telephone	.33		
Yellow Page Advertising	.13		
Other Advertising & Promotion	3.38		
Vehicle lease and/or expense	.66		
Equipment lease and/or expense	.13		
Depreciation	1.22		
Licenses & Taxes	.28		
Supplies	.74		
Professional Fees	.25		
Travel & Training Expense	.25		
Miscellaneous Expense	1.88		
NET OPERATING PROFIT		1.45	
OTHER INCOME		2.51	
Interest Income	.74		
Supplier Rebates	.77		
Other	1.00		
TOTAL INCOME		3.96	
OTHER EXPENSE		2.30	
Interest Paid	1.10		
Other	1.20		
TOTAL NET PROFIT BEFORE INCOME TAXES		1.66	
TOTAL FEDERAL & STATE INCOME TAXES	.17		
NET INCOME		1.49	

APPLIANCE-ELECTRONICS-FURNITURE SALES ONLY
AVERAGE ALL VOLUMES

SALES TRANSACTIONS

Total annual sales, compared to 1986, were up 02.6%

Of the dealers reporting types of sales transactions, these were the average percentage of transactions involving:

Cash	51.3
Bank Credit Cards	08.5
Outside Financing	22.6
In-house Financing	17.4

PERSONNEL

The average percent of total employees in each category was:

	Full time	*Part time*
Owners/managers	12.1	00.0
Sales Personnel	25.0	05.3
Office Personnel	13.3	02.3
Delivery Personnel	26.1	04.9
Other	03.8	07.2

Total annual sales per employee averaged $108,258

EMPLOYEE COMPENSATION

Percent of dealers paying their salespeople:

Salary Only	30.7
Commission Only	23.0
Salary & Commission	46.1
Other	00.0

For those paying salary and commission,

71.0% was salary
29.0% was commission

The average annual sales per salesperson was $357,252

ADVERTISING EXPENDITURES

Of the dealers providing a report on how their advertising dollars were spent, the average percentage of ad budget was used for:

Newspaper	54.4
Television	11.0
Radio	23.1
Yellow Pages	05.8
Direct Mail	03.6
Other	01.8

SPACE ALLOCATION

Average square feet per location used for:

Sales & Display	16,784
Office	1,320
Warehouse	7,779

Average number of locations was 1.9

The average annual sales per square foot of total space was $74

The average annual sales per square foot of selling space was $118

MISCELLANEOUS

Percentage of dealers in this category selling service contracts was 100%

Of those dealers selling service contracts, 07.6% *were self-funded programs.*

Percentage of dealers in this category using in store computers was 61.5%

Percentage of dealers in this category using an outside data processing service was 23.0%

Percentage of dealers in this category belonging to a buying group or cooperative was 69.2%

RATIOS

Annual inventory turns on merchandise averaged 3.9

Average current ratio was 2.5 to 1

Average quick assets ratio was 1.08 to 1

Average number of working capital turns was 5.46

Average net return on investment was 37.2%

APPLIANCE-ELECTRONICS-FURNITURE SALES ONLY
AVERAGE ALL VOLUMES

			Yours
NET SALES		100.00	
Merchandise Sales	100		
Service Contract Sales	100		
COST OF SALES		68.25	
Cost of Merchandise	68.43		
Cost of Service Contract Sales	48.61		
GROSS MARGIN		31.75	
TOTAL OPERATING COSTS		28.89	
Owner and Manager Salaries	2.75		
Office Salaries	2.44		
Sales Salaries	4.24		
Delivery Wages	2.92		
Other Payroll	1.92		
Employee Benefits	.66		
Payroll Taxes	1.22		
Insurance - Group Life & Health	.49		
Insurance - Property & Liability	.60		
Rent or Building Depreciation	2.41		
Utilities	.66		
Telephone	.36		
Yellow Page Advertising	.13		
Other Advertising & Promotion	3.47		
Vehicle lease and/or expense	.53		
Equipment lease and/or expense	.09		
Depreciation	.74		
Licenses & Taxes	.36		
Supplies	.35		
Professional Fees	.29		
Travel & Training Expense	.17		
Miscellaneous Expense	2.09		
NET OPERATING PROFIT		2.86	
OTHER INCOME		2.53	
Interest Income	.60		
Supplier Rebates	.47		
Other	1.46		
TOTAL INCOME		5.39	
OTHER EXPENSE		1.13	
Interest Paid	.38		
Other	.75		
TOTAL NET PROFIT BEFORE INCOME TAXES		4.26	
TOTAL FEDERAL & STATE INCOME TAXES	.51		
NET INCOME		3.75	

APPLIANCE SERVICE ONLY
AVERAGE ALL VOLUMES

SALES TRANSACTIONS

Total annual sales, compared to 1986, were up 12.88%

Of the dealers reporting types of sales transactions, these were the average percentage of transactions involving:

Cash	86.7
Bank Credit Cards	04.1
Outside Financing	00.0
In-house Financing	09.2

PERSONNEL

The average percent of total employees in each category was:

	Full time	*Part time*
Owners/managers	13.0	02.4
Sales Personnel	06.5	00.0
Service Technicians	43.1	03.2
Office Personnel	18.7	05.7
Delivery Personnel	00.8	00.8
Other	04.1	00.0

Total annual sales per employee averaged $44,655

EMPLOYEE COMPENSATION

Percent of dealers paying their technicians:

Salary Only	33.3
Commission Only	22.2
Salary & Commission	33.3
Other	11.1

For those paying salary and commission,

85.0 % was salary
15.0% was commission

The average hourly technician wage was $10.99

ADVERTISING EXPENDITURES

Of the dealers providing a report on how their advertising dollars were spent, the average percentage of ad budget was used for:

Newspaper	05.9
Television	00.0
Radio	01.7
Yellow Pages	87.7
Direct Mail	01.1
Other	03.4

SPACE ALLOCATION

Average square feet per location used for:

Office	698
Service	1176
Warehouse	1320

Average number of locations was 1.0

MISCELLANEOUS

Percentage of dealers in this category selling service contracts was 33.3%

Of those dealers selling service contracts, 25.0% *were self-funded programs.*

Percentage of dealers in this category using in store computers was 58.3%

Percentage of dealers in this category using an outside data processing service was -0-

RATIOS

Annual inventory turns on parts averaged 2.4

Average current ratio was 4.4 to 1

Average quick assets ratio was 2.7 to 1

Average number of working capital turns was 6.3

Average net return on investment was 17.2%

Average burden ratio was 227%

APPLIANCE SERVICE ONLY
AVERAGE ALL VOLUMES

			Yours
NET SALES		100.00	
Labor Sales	100		
Parts Sales	100		
Service Contract Sales	100		
COST OF SALES		47.22	
Cost of Labor	38.11		
Cost of Parts	60.83		
Cost of Service Contract Sales	32.42		
GROSS MARGIN		52.78	
TOTAL OPERATING COSTS		49.35	
Owner and Manager Salaries	8.56		
Office Salaries	7.84		
Sales Salaries	1.19		
Delivery Wages	.07		
Other Payroll	1.37		
Employee Benefits	1.53		
Payroll Taxes	3.28		
Insurance - Group Life & Health	2.75		
Insurance - Property & Liability	2.68		
Rent or Building Depreciation	3.21		
Utilities	.74		
Telephone	1.41		
Yellow Page Advertising	3.95		
Other Advertising & Promotion	.72		
Vehicle lease and/or expense	3.20		
Equipment lease and/or expense	.35		
Depreciation	2.06		
Licenses & Taxes	.46		
Supplies	2.11		
Professional Fees	.38		
Travel & Training Expense	.33		
Miscellaneous Expense	1.16		
NET OPERATING PROFIT		3.43	
OTHER INCOME		.77	
Interest Income	.51		
Supplier Rebates	.08		
Other	.18		
TOTAL INCOME		4.20	
OTHER EXPENSE		.96	
Interest Paid	.47		
Other	.49		
TOTAL NET PROFIT BEFORE INCOME TAXES		3.24	
TOTAL FEDERAL & STATE INCOME TAXES	.21		
NET INCOME		3.03	

ELECTRONICS SERVICE ONLY
AVERAGE ALL VOLUMES

SALES TRANSACTIONS

Total annual sales, compared to 1986, were up 20.67%

Of the dealers reporting types of sales transactions, these were the average percentage of transactions involving:

Cash	76.8
Bank Credit Cards	14.0
Outside Financing	00.0
In-house Financing	09.0

PERSONNEL

The average percent of total employees in each category was:

	Full time	*Part time*
Owners/managers	17.9	00.5
Sales Personnel	03.1	00.0
Service Technicians	45.7	01.5
Office Personnel	20.0	03.6
Delivery Personnel	02.0	00.0
Other	01.0	02.5

Total annual sales per employee averaged $40,865

EMPLOYEE COMPENSATION

Percent of dealers paying their technicians:

Salary Only	53.8
Commission Only	30.7
Salary & Commission	15.5
Other	00.0

For those paying salary and commission,

85.0 % was salary
15.0% was commission

The average hourly technician wage was $11.05

ADVERTISING EXPENDITURES

Of the dealers providing a report on how their advertising dollars were spent, the average percentage of ad budget was used for:

Newspaper	15.8
Television	00.0
Radio	00.5
Yellow Pages	73.5
Direct Mail	09.6
Other	00.6

SPACE ALLOCATION

Average square feet per location used for:

Office	561
Service	5488
Warehouse	1180

Average number of locations was 1.3

MISCELLANEOUS

Percentage of dealers in this category selling service contracts was 57.1%

Of those dealers selling service contracts, 62.5% *were self-funded programs.*

Percentage of dealers in this category using in store computers was 85.7%

Percentage of dealers in this category using an outside data processing service was 07.1%

RATIOS

Annual inventory turns on parts averaged 1.9

Average current ratio was 1.20 to 1

Average quick assets ratio was 0.76 to 1

Average net return on investment was 12.8%

Average burden ratio was 296%

ELECTRONICS SERVICE ONLY
AVERAGE ALL VOLUMES

			Yours
NET SALES		100.00	
Labor Sales	100		
Parts Sales	100		
Service Contract Sales	100		
COST OF SALES		40.17	
Cost of Labor	43.32		
Cost of Parts	69.82		
Cost of Service Contract Sales	32.12		
GROSS MARGIN		59.83	
TOTAL OPERATING COSTS		56.34	
Owner and Manager Salaries	10.32		
Office Salaries	5.92		
Sales Salaries	.81		
Delivery Wages	.18		
Other Payroll	7.34		
Employee Benefits	1.24		
Payroll Taxes	4.65		
Insurance - Group Life & Health	2.61		
Insurance - Property & Liability	1.01		
Rent or Building Depreciation	5.08		
Utilities	1.06		
Telephone	1.72		
Yellow Page Advertising	1.40		
Other Advertising & Promotion	.99		
Vehicle lease and/or expense	1.07		
Equipment lease and/or expense	1.11		
Depreciation	2.97		
Licenses & Taxes	.85		
Supplies	2.16		
Professional Fees	.65		
Travel & Training Expense	1.24		
Miscellaneous Expense	1.96		
NET OPERATING PROFIT		3.49	
OTHER INCOME		.48	
Interest Income	.04		
Supplier Rebates	.05		
Other	.39		
TOTAL INCOME		3.97	
OTHER EXPENSE		.67	
Interest Paid	.61		
Other	.06		
TOTAL NET PROFIT BEFORE INCOME TAXES		3.30	
TOTAL FEDERAL & STATE INCOME TAXES	1.02		
NET INCOME		2.28	

EXPLANATION OF KEY RATIOS

CURRENT ASSETS RATIO

Current assets divided by current liabilities.

This ratio is probably one of the most used liquidity ratios. The current ratio is a measure of the most liquid assets (current assets) relative to the shortest maturity liabilities.

A high current ratio indicates high liquidity and less risk of financial trouble. Too high a ratio might indicate an unnecessary investment in current assets or a failure to collect receivables or a bloated inventory, all negatively affecting earnings. Too low a ratio implies low liquidity and potential for being unable to meet current liabilities. A good standard is 1.8 to 1, or above. That is, the business has $1.80 in current assets for every dollar it owes in current debts.

QUICK ASSETS RATIO

Current assets, minus inventory, divided by current liabilities.

This ratio shows the ability of a business to pay its debts without taking inventory into consideration. Bankers consider it to be a key ratio. 1 to 1 is acceptable. 0.5 to 1 or below shows that inventory makes up too large a portion of working capital and that the business could have trouble paying its debts.

INVENTORY TURNS

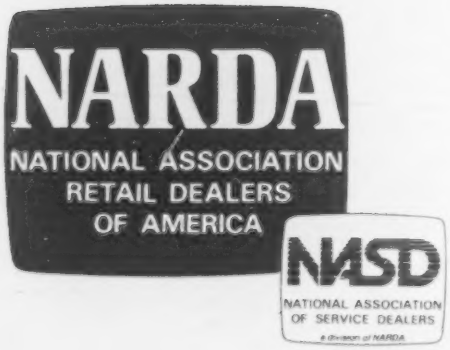
Cost of goods sold divided by the average inventory (beginning inventory, plus ending inventory, divided by 2).

Less than 4 turns indicates either a decline in sales or an over-inventoried position. Over 9 turns may indicate inventory is impractically low and unable to meet customer demand. Dealers should strive for 4 to 6 turns yearly, or two or three months of inventory.

NET RETURN ON INVESTMENT

Net profit (before taxes, and after owner's salary) divided by net worth.

This ratio indicates the yield on money invested in the business. If this percentage is less than current investment rates, consideration should be given to investing your capital in money market funds, certificates of deposit, government securities, etc.



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